

SERVING THE TOTAL FOODSERVICE INDUSTRY

C1850-3
JULY 11, 1990

[®]RESTAURANTS & INSTITUTIONS

P0616966 (9010) 041/ 00
SRI ACQUISITIONS
CONGRESSIONAL INFO SVC
4520 EAST WEST HWY
BETHESDA MD 20814



ABOUT THE COVER

**R&I's Executive
Of The Year:
Pizza Hut's
Steve Reinemund**

A CAHNSER PUBLICATION

400

400: PROFILE 18
 Pizza Hut, on the go and growing stronger. 1989 sales: \$4 billion-plus from 7,410 units.



18

**R&I EXCLUSIVE:
 STEVEN S. REINEMUND,
 EXECUTIVE OF THE YEAR**

If pepperoni is the customers' favorite topping for Pizza Hut's pies, Steve Reinemund (shown on our cover) is the topping of choice for Pizza Hut's management team. President and CEO since 1986, Reinemund is responsible for initiating the company's successful moves of recent years—home delivery, mall units, kiosks in airports, service in institutions. Pizza Hut is No. 4 in this year's ranking; only KFC (another PepsiCo brand) tops Reinemund's company in the non-burger part of the 400.

26

**THE BIG GET BIGGER
 AND, THIS YEAR, BETTER**

Sales of \$126.9 billion in 1989 by the 400 mean the giants rang up almost three-fifths of all sales by American foodservice organizations. Commercial restaurants account for \$102 billion, fast food for \$60 billion and full service for \$25 billion. Non-commercial sales equivalents added up to \$25 billion, with contract management firms capturing \$13 billion. See the 400 ranking for details about individual companies.

32

**BIG DEALS AND
 SOME RED INK**

R&I evaluates the outcome of the past year's big buyouts—Grand Met's deal with Pillsbury; Copeland's purchase of

Church's. Fast-food stock as a whole had a tough year, while midscale, full-service chains did well.

34

**CHAINS OPEN
 A NEW WINDOW**

Not since the '30s, when White Castle moved customers in and out of a unit in minutes, have chains placed a greater emphasis on speed and service. Drive-thrus and Rally's double-drive-thrus keep the real estate working at double time with singular success.

57

**THE BILLION-DOLLAR
 PYRAMID**

This year 23 companies reported sales exceeding a billion dollars, with Little Caesar, Sizzler, Dunkin' Donuts, the U.S. Navy and Big Boy making the mark for the first time. Once again, McDonald's tops the list with \$17.3 billion in sales, one billion more than in 1989. Combined sales for the billion-dollar "club" is \$68,316.8MM.

COMING UP: PART II OF THE 400

In the next issue of R&I: Our 400 issue on menus and marketing includes the most successful product introductions of the past year.

COMMENTS	
THE 400'S MIDLIFE CRISIS . . .	4
R&I FORUM	
LETTERS	9
VIEWPOINT	
INTERESTING MARRIAGES FOR PEGGY SUE AND MICKY	14
400: GROWTH	
RANKINGS, GROWTH HIGHLIGHTS, SEGMENT DATA	28
400: DEALS	
OWNERSHIP, AUCTION CORNER, UNDONE DEALS, MERGER MOVES	29
400: OPERATIONS	
CREDIT CARDS, UNIT VOLUMES, SUGGESTION BOX, GUEST CHECKS, CHECK AVERAGES	30
400: FINANCE	
UPDATE, TROUBLE SPOTS, PERFORMANCE	32
400: SITES	
DOUBLE DRIVE-THRUS, STRATEGIES, SUGGESTION BOX, REAL ESTATE	34
400: EXECUTIVES	
SMOOTH MOVES, PROMOTIONS, MONEY, IN MEMORIAM	40
400: INTERNATIONAL	
UNITS ABROAD, EXPANSION PLANS, WHO'S WHERE, NEW MARKETS	44
400: INSTITUTIONS	
GIANTS, SUGGESTION BOX, MANAGEMENT, MARKETING	46
400: MARKETING	
BIG CAMPAIGNS, COMPETITION, SPENDING, TRAFFIC BOOSTS	53
400: COMPANY INDEX	
AN ALPHABETICAL LISTING	157
PRODUCT CATALOG	
PRODUCT NEWS, FREE LITERATURE	162
CLASSIFIED ADS	
BUYING, SELLING, CHANGING JOBS	152
ACTION EXPRESS	
ADVERTISERS INDEX	162
PRODUCT RETRIEVAL	161
READER SERVICE CARD	
SEND FOR FREE INFORMATION	163

400: OVERVIEW

BIG PLAYERS FACE BIG CHALLENGES

Industry's 400 largest companies grow 8% for total sales of \$127 billion.

sumers are regarding as just a bit outdated and more frequent attacks from consumer and environmental groups are just a few of the obstacles blocking the sales increases that came so easily to McDonald's in the past. Chief Operations Officer Ed Rensi summed it up at the annual shareholders meeting: "'89 was tough and '90 is going to be even tougher."

While Rensi promises to fight back with new products and a renewed commitment to service, other McDonald's executives are looking overseas for the chain's future growth. Of the \$1.3 billion sales increase McDonald's posted for 1989, \$637 million came from its nearly 3,000 foreign units. Those units contributed 32% to operating profit. McDonald's opened 376 units overseas last year, compared to 323 stateside.

Despite Rensi's portrayal of 1989 as a tough year, the 400 as a whole grew 8%, or \$9.4 billion, for sales totaling \$127 billion. Among public companies, operating profits are up, reflecting streamlined corporate operations and slower, more

controlled expansion. The companies included in the 400 represent 58% of total foodservice industry sales.

Commercial restaurants account for \$102 billion of the 400 total, with fast-food operations showing sales of \$60 billion and full service at \$25 billion. Among institutional operators, sales were \$25 billion and, of these, contract management firms captured \$13 billion.

There are no newcomers to the top 10, but several of the companies gained or lost ground relative to one another. Despite its domestic woes, McDonald's increased its sales lead over second-place Burger King, which, under Grand Met management, is stepping up its sales and marketing efforts. Domino's and ARA Services switched places and now occupy the 9th and 10th slots, while the U.S. Department of Agriculture slipped from 6th to 8th place.

Hardee's acquisition of Roy Rogers positions the burger chain to finally overtake Wendy's as the No. 3 hamburger chain in 1991's 400. Wendy's continues to struggle as it looked to Chairman and founder Dave Thomas to resuscitate its fortunes. Domino's was put up for sale, with no takers.

In absolute dollar gains, McDonald's, Burger King and Kentucky Fried Chicken rank highest, with increases of \$1.2 billion and \$310 and \$300 million. One of the all-around star performers is General Mills' The Olive Garden, whose sales jumped from \$300 million to \$440 million, causing it to rise 75 notches in the ranking.

Other significant growth leaders were: Au Bon Pain, which posted gains of almost 50% in both sales and units, mostly in the Northeast; TCBY, which rode the frozen yogurt wave to a 44% gain; and El Pollo Loco, whose healthful chicken concept produced a sales increase of 41%. Hooters Restaurants, a casual-dining chain, posted the largest single gain—54.8%.

In the area of unit volumes, always a key measure of chain vitality, McDonald's and Nathan's Famous share the top spot, with both enjoying average unit volumes of \$1.6 million. Numbers three through five in the AUV ranking are Wawa c-stores (\$1.2 million), Carl's Jr. (\$1.1 million) and Burger King (\$1 million). Of the top 10 AUV leaders, seven are hamburger chains.

Among full-service restaurants, AUVs at seafood chains are strong. These include leader Phillips Seafood Restaurants at \$9.7 million, plus Original Seafood Shanty (\$3.5 million), Red Lobster (\$2.9 million), Rusty Pelican (\$2.9 million) and L&N Seafood Grill (\$2.2 million).

Restaurants & Institutions' 400 ranking for 1990, our 26th consecutive report on the largest, most important companies in foodservice, definitely has a headline story. This year, for the first time, executives at McDonald's, the leader of the 400 since 1972, are conceding that the domestic market is getting tougher and tougher to navigate. This is significant: Factors that mean slow growth for the top name in the top-selling menu segment often spell little or no growth for chains No. 2, 3, 4, and on down the line.

A proliferation of competing restaurants, a dearth of good new sites, a menu con-

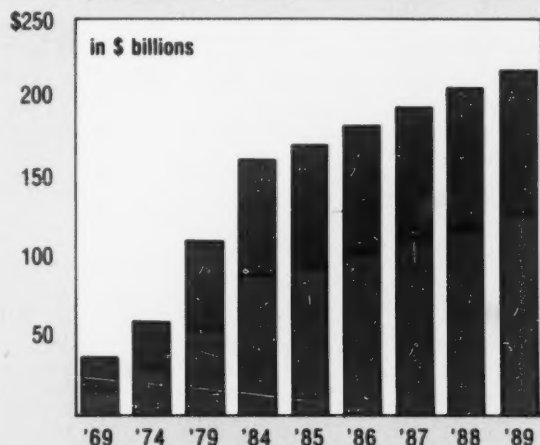
RESTAURANTS & INSTITUTIONS

Looking at fast-food check averages, we find Brown's Chicken highest at \$9, followed by McDonald's at \$5. In full service, Ruth's Chris Steak Houses average \$36, compared to second-place Grand American Fare, which operates assorted full-service concepts, at \$25.

Movement on the 400 front includes Marriott's divestiture of its restaurant companies in order to concentrate on lodging and institutional foodservice. Coniston's purchase of TW Services caused a ripple in the giant Canteen operation, while a Marriott alumnus, Steve Leipsner, is showing early that he intends to make Service America a strong player in contract feeding.

Elsewhere, the flap at Arby's sent some top people to new companies, with Len Roberts taking over at Shoney's and Ira Hermann seeking to get Rax going again.

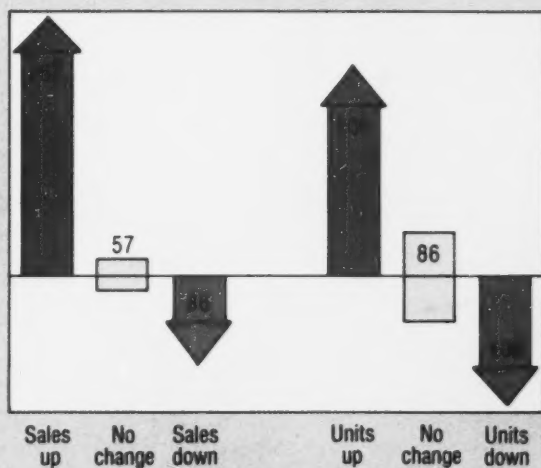
But more telling of the times is the stable management at McDonald's, Luby's, Hardee's and Morrison's Custom Management, all of which have promoted seasoned executives to top spots. At McDonald's, for instance, Michael Quinlan succeeded Fred Turner as chairman, becoming only the third chairman in the corporation's history. These companies know that internal stability, as much as external expansion, will help them successfully weather the challenges of the new decade. —Michael Bartlett



■ 400 sales as a portion of total foodservice sales

R&I's 400 AND THE INDUSTRY

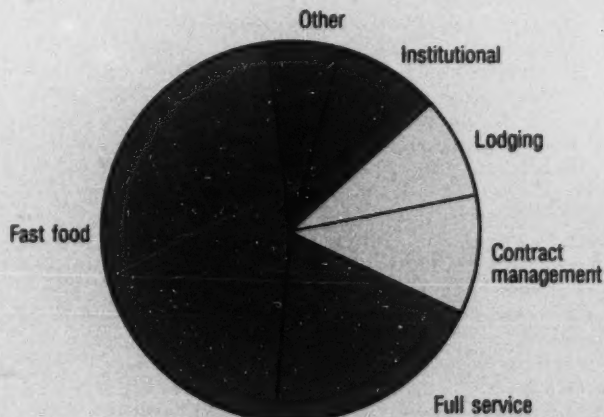
This year's 400 ranking racked up systemwide sales of \$126.9 billion in 1989—almost three-fifths of all sales transacted by American foodservice organizations during the year.



Figures are number of 400 companies

R&I 400 UPS AND DOWNS

257 companies—65% of the 400—posted higher systemwide sales than last year, while another 21% showed sales down and 14% reported no change. More than half the list, or 206 members, added units in '89; 27% cut back, and 21% held store counts even with '88.



R&I 400 SALES BY SEGMENT

Fast food accounts for \$60 billion, or 47% of all sales in the 400; full-service sales make up another 19%. Hotels, institutions and contracting each contribute about 10%. The remainder includes such service sites as retail stores and theme parks.

400: GROWTH

RANKINGS

Tops in Sales, Units and Dollar Gain

This year's list of sales- and unit-growth leaders* contains fewer "low-overhead" concepts than last year's. Subway, Cinnabon and TCBY, however, still did well.

BY SALES (%)

1. Hooters Restaurants 54.8%
2. Cinnabon 54.0
3. Au Bon Pain 47.4
4. Shari's Family Restaurants 47.1
5. The Olive Garden 46.7
6. Old Country Buffets 44.6
7. The Wood Co. 44.6
8. TCBY Enterprises 44.3
9. El Pollo Loco 41.1
10. Pennsylvania Dept. of Corrections 36.0

BY UNIT (%)

1. Pennsylvania Dept. of Corrections 142.9%
2. U.S.M.C. Morale Welfare & Rec. Support 92.3
3. Hooters Restaurants 86.7
4. The Wood Co. 73.2
5. Shooters Waterfront Cafes 50.0
6. The New York Restaurant Group 50.0
7. Au Bon Pain 50.0
8. U.S. Air Force Clubs 48.1
9. Nathan's Famous 42.1
10. Subway 41.7

BY DOLLAR GAIN

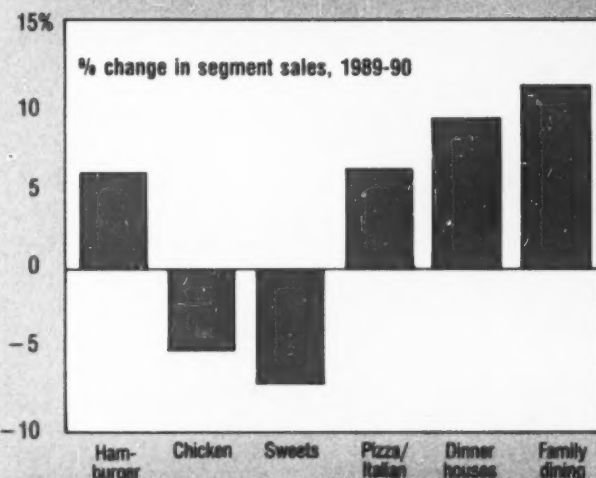
1. McDonald's \$1,233MM
2. Kentucky Fried Chicken 310
3. Burger King 300
4. Little Caesars 222
5. Subway 200
6. Domino's Pizza 200
7. The Olive Garden 140
8. Arby's Inc. 140
9. Wendy's Intl. 134
10. Dairy Queen 112

*Organizations whose '88 or '89 sales were estimated by R&I are excluded from the Growth Leaders lists.

SEGMENT DATA

FAMILY DINING MAKES BEST SHOW

The family-dining segment, fueled by such winners as The Olive Garden, leads the industry in sales growth. The sweets category, and cookie chains in particular, have fallen on hard times.



SPOTLIGHT

Au Bon Pain Goes Where the Dough Is

Au Bon Pain Chairman Louis Kane knows time-strapped train commuters won't walk more than about 50 feet out of their way for a cup of coffee and muffin, so his strategy is to put an Au Bon Pain in every commuter's path. In the chain's hometown of Boston, for example, most of the 28 Au Bon Pain units operate within a mile of South Station.

Kane's market penetration strategy has been successful so far: Au Bon Pain's sales increased by more than 47% from 1988 to 1989. Kane credits new units with much of the increase but also points out that same-store sales were up 6% in 1989, despite an otherwise weak Boston economy.

Kane says saturating a market gives the chain a



Au Bon Pain units, such as this one at Harvard Square, average \$1.1 million in sales annually.

more visibility: "Consumers know we're there." The company will follow the same expansion strategy as it moves into Philadelphia, Washington, New York, Chicago and Minneapolis.

Kane is reluctant to talk about long-range growth plans, citing the volatility of the industry, but he says the chain will pass the 100-unit mark in early 1991. "We're going for good, controlled growth," he says.

Au Bon Pain units, which are open only for breakfast and lunch, average about \$1.1 million a year, with the sales split equally between the two dayparts.

GROWTH HIGHLIGHTS

Majority Show Strong Gains

The foodservice market might be entering its "mature phase," in which incremental sales are harder to come by, but one would never know it by looking at R&I's 1990 400 ranking.

More than half of the companies showed positive sales growth, and about a quarter recorded double-digit growth. Although many of the leaders (ranked by percent of sales growth) were smaller companies, 15 companies posted sales growth of more than \$100 million. By segment:

■ **Fast food's** major players fared well and, in fact, nine of the 10 top growth leaders ranked by absolute sales growth were fast-food chains. Companies repeating double-digit growth included Subway, Little Caesars Pizza and TCBY.

■ **Full service** is not becoming extinct, at least not among 400 members. Four of the top 10 leaders by percent of sales growth fall in that category. The Olive Garden, in particular, defies forecasts of midscale demise, posting close to 50% growth.

■ **Institutions**, especially contractors, showed good growth, although only one was among the growth leaders. Unfortunately, much of the growth in this segment occurred in the prisons.



400: DEALS

OWNERSHIP

Foreign Buys Make News Again

he hot pace of foreign acquisition held steady last year: **Bass PLC** added the U.S. **Holiday Inn** franchise to the overseas rights it already owns, and **Allied-Lyons** bought **Dunkin' Donuts** and **Mister Donut**.

But once again, Japanese deals got most of the ink. **Kyotaru Ltd.**, owner of 800 units in Japan, made a pair of major buys in succession: **Restaurant Associates** (Mamma Leone's, Acapulco, Charlie Brown's) and **Paragon Steakhouses** (Hungry Hunter, Mountain Jack's). And **7-Eleven** hopes for substantial debt relief by selling out to the company that controls its Japanese licenses—if bondholders agree to a stock swap to reduce interest costs.

UNDONE DEALS

Best-Laid Plans

s usual, for every deal that flew, many flamed out. **Hilton Hotels** held a sale and nobody came, thanks to a junk-bond nose dive in October '89. Buoyed by '88's record prices for hotel chains, the company put itself on the block but found no takers. From 115½ last summer, Hilton stock fell to 52 in March '89. Latest word has Hilton looking to sell jewel **Waldorf-Astoria**.

Junk-bond weakness also scuttled **Domino's** founder **Tom Monaghan's** plan to sell out to the company's ESOP, and a proposed buy by **Domino's** franchisees. And tumultuous **Arby's** got two failed bids following **Len Roberts'** departure: one from licensees and one from **Nathan's Famous**.

AUCTION CORNER

THE YEAR'S BIGGEST DEALS

Here's a sketch of who bought what for how much. Where no price was disclosed, *R&I* lists analysts' best estimates of value.

Property	Seller	Buyer	Price
Holiday Inns USA	Holiday Corp.	Bass PLC	\$2,230MM
TW Services	(self)	Coniston Partners	1,300
HBJ Parks	Harcourt Brace Jovanovich	Anheuser-Busch	1,100
Jerrico	(self)	DJS/Inverness & Castle Harlan	620
In-Flite Services	Marriott Corp.	Caterair Intl.	570
Ramada Hotels	Ramada Inc.	Prime Motor Inns	450
Roy Rogers	Marriott Corp.	Hardee's	365
Dunkin' Donuts	(self)	Allied-Lyons PLC	325
Restaurant Associates	(self)	Kyotaru Co. Inc.	110
Carvel	(self)	Investcorp	80
USACafes	(self)	Metromedia	70
Winchell's	WDH Services	Shato Holdings	40
Mrs. Winner's	Winners Corp.	RTM	30
Skipper's	(self)	National Pizza	28
Mister Donut	Intl. Multifoods	Dunkin' Donuts	20-30
Del Taco, Naugles	AWR II	(Co. mgmt.)	NA



SPOTLIGHT

Marriott's Makeover

any analysts were caught flat-footed by **Marriott's** announcement last December that it would sell its restaurant concepts, including the much-touted **Allie's** startup. But by doing so, and by selling **In-Flite** airline catering, **Marriott** leaves behind two competitive fields with low margins and low growth

(about 8% annually) in favor of lodging and contracting, which **Marriott** believes have a chance of 15% to 20% growth.

Analysts applauded the sale of 600 **Roy Rogers** to **Hardee's** as a fine strategic fit that will allow the company to expand the No. 4 burger chain beyond its Southern home. Most **RR** units will convert, though converted stores will offer **Roy Roger's** chicken. The remainder of **Marriott's** restaurants, a grab bag that includes **Allie's**, **Bickford's**, **Wag's** and 235 **Bob's Big Boys**, are a harder sell.

Meanwhile, the company is growing its institutional foodservice. Upscale **B&I** caterer **Corporate Foodservice** will probably run as a brand name of the contracting arm. And a Japanese joint venture with restaurant owner **Sumitomo** should open up a worldwide market for food served up with **Marriott** service.

MERGER+MOVES

Dollars into Doughnuts

teaks and sinkers supplied much of the acquisition action in this year's 400. **Allied-Lyons PLC**, parent to **Baskin-Robbins**, acquired **Dunkin' Donuts** last fall to defend the company from a hostile takeover by two Canadian partners. **Dunkin'** then bid for **Mister Donut**, **International Multifoods'** last restaurant chain. The purchase will give **Allied** about 65% of the domestic doughnut market; but a U.S. District Court did not allow the claim made by 130 **Mister Donut** franchisees that this constituted a monopoly.

DUNKIN' DONUTS

Franchisees were also up in arms at **USACafes**, whose **Bonanza** chain was acquired by **Metromedia Steakhouses**, which owns both the **Ponderosa** chain and rights to the **Steak and Ale** franchise. The deal puts **Metromedia** in charge of almost 1,400 budget steakhouses, but several **Bonanza** franchisee groups are resisting.

Prime Motor Inns, which bought the U.S. franchise rights to the 630-unit **Ramada Inn** chain last summer, wants to sell 65% of that franchise. **Blackstone Partners** will form a joint venture with **Prime** to manage and develop **Ramada**.

Horn & Hardart will sell its East Coast concepts, including **Bojangles'**, retaining only **King's Table**. ... **Pantera Corp.** will divest 106 company-owned **Pizza Inns**. ... **Applebee's** reports offers to buy "all or a portion" of the casual chain.

400: OPERATIONS

CREDIT CARDS

Beam It Up

Bakers Square and Kentucky Fried Chicken are taking credit-card acceptance to new heights with a satellite linkup.

Bakers Square put its 161 outlets on the satellite system this spring. The system, which enables almost instant authorization of credit cards, speeds up lines at the pie takeout counter and cash register.

Kentucky Fried Chicken uses the system to accept checks, crucial in gaining a bigger share of the church-supper business. The system is updated daily with a list of bad checking-account numbers. If the check isn't good, the "smart box" indicates so to the counter person.

UNIT VOLUMES

QUICK SERVICE: TOP 10

Fast-food burger chains lead the pack in unit volumes.

1. McDonald's	\$1.6MM
2. Nathan's Famous	1.6
3. WaWa (c-stores)	1.2
4. Carl's Jr.	1.1
5. Burger King	1.0
6. Hardee's	923K
7. Rally's	918
8. Krystal	812
9. Wendy's	808
10. Popeyes	712

FULL SERVICE: TOP 10

Seafood chains net the biggest full-service volumes.

1. Phillips Seafood Restaurants	\$9.7MM
2. Shooter's	5.6
3. Original Seafood Shanty	3.5
4. T.G.I. Friday's	3.3
5. Red Lobster	3.0
6. Rusty Pelican	2.9
7. The Olive Garden	2.6
8. Chi-Chi's	2.5
9. Bobby Rubino's	2.4
10. L&N Seafood Grill	2.2

Based on available data.

SPOTLIGHT

Takeout Trials, Delivery Dilemmas

Takeout and delivery combined are expected to account for two-thirds of total food-service sales by 1995.

These two strategies, however, don't always work. Case in point: Country Kitchen has scrapped plans for Country Hutch, a takeout counter. The whole idea of takeout—packaging, choosing portable menu items, offering quick service and figuring out price



points—proved too complicated and costly, says John Ostrov, vice president of marketing for the chain.

"Takeout takes a lot more time and money than we're willing to give," he explains. "We'd rather focus on building lunch and dinner traffic." He says Country Kitchen prefers to stick to its eat-in niche: "Marie Calender's has takeout, and so does Perkin's. How many family restaurants need a takeout counter?" And Country Kitchen franchisees, he adds, are pleased with the decision to focus on in-store dining.

Pizzeria Uno does not offer delivery by design, says Richard Turer, director of marketing for company-owned stores. In order to keep delivery business up, chains need to advertise delivery, Turer explains, and delivery advertising would conflict with Uno's image as a full-service, eat-in restaurant. He adds, however, that several franchisees have had success with independent delivery services.

SUGGESTION BOX

Traffic Builders

What is your company doing to build traffic, especially in off-peak hours?

■ "Family Night offers half-price burgers on Tuesday nights, a particularly slow night. Traffic on Tuesdays is now up 20%." —Sonic Drive-Ins

■ "Price incentives, such as nickel coffee and specials on fruit and yogurt, pick up off-peak hours." —Tostitos Inc.

■ "Some institutions provide special evening functions such as ice cream parties and Cookie Night. These functions break up the normal routine for inmates and are enjoyed by all." —U.S. Department of Justice

■ "We telemarket Happy Hour parties and weeknight promos. Costumed characters pass out coupons and fliers in local markets." —Grand American Fare

■ "We feature a \$1.99 children's menu at breakfast, lunch and dinner to retain family guests for meals." —Omni Hotels

GUEST CHECKS

Aiming Low

When it comes to check averages, some chains believe that higher is not necessarily better.

Rax President Ira Hermann says check averages at Rax have dropped to \$2.88 from \$3 during the past year, thanks to smaller, lower-priced sandwiches.

Chili's CFO Jim Parish says Chili's \$9.50 check average keeps value-minded customers coming back. Executives at Morrison hold down menu prices, and therefore check averages, "because of competitive pressures and to retain our price/value awareness."

CHECK AVERAGES

QUICK SERVICE: TOP 10

Non-burger chains lead the way in check averages.

1. Brown's Chicken	\$9.00
2. McDonald's	5.00
3. Nathan's Famous	4.75
4. Skipper's	4.60
5. Schlotzsky's	4.00
Del Taco	4.00
6. Taco Time	3.95
7. Subway	3.87
8. Long John Silver's	3.80
9. Skyline Chili	3.75
Everything Yogurt	3.75
10. Burger King	3.64

FULL SERVICE: TOP 10

Midscale dinner-house chains boast the largest checks.

1. Ruth's Chris Steak Houses	\$36.00
2. Grand American Fare (assorted concepts)	25.00
3. Rusty Pelican	22.50
4. Benihana	22.14
5. Phillips Seafood	21.05
6. Hungry Hunter (Paragon)	20.00
7. Beefsteak Charlie's	14.00
8. Sea Galley	13.75
9. Shooter's	13.71
10. Creative Restaurant Mgmt. (assorted concepts)	13.00

Based on available data.

400: FINANCE

UPDATE

The Big Deals, One Year Later

Time for a look at some of the big buy-outs of the 400 to see how they weathered 1989's financial storms. Last year's big spender, **Grand Metropolitan PLC**, closed a \$5.8 billion deal for **Pillsbury** in January '89 and finally might be getting its money's worth. The British conglomerate reported that gross earnings for the first six months of fiscal 1990 rose 36% over a year ago to \$675 million. Subsidiary **Burger King** posted six-month operating profits of \$87 million, 74% higher than the same period last year.

Thanks to a poor junk-bond market, **TW Holdings**, the company created by **Coniston Partners**' leveraged buyout of **TW Services**, has had some difficulty selling the 30% of its shares that are still publicly held. But that should change as the company improves its 12-to-1 debt-to-equity ratio by selling \$120 million in assets—such as its **American Medical Services** nursing-home arm, sold last January to **HostMasters Inc.**—and by boosting operating cash flow. Many analysts agree TW can do it, based on the track record of CEO **Jerome Richardson**.

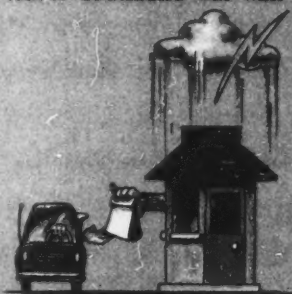
Last year **A. Copeland Enterprises**, owner of **Popeyes Famous Fried Chicken**, paid \$416 million for the larger **Church's Fried Chicken**. The company has not sold off as many Church's units as it had hoped, and still has a debt load of almost \$500 million. New Popeyes products and a sit-down restaurant format will have to perform superbly to help the bottom line: In '89 Copeland reported a net loss of \$39 million.

TROUBLE SHOOTING

C-Store Squeeze

Convenience stores found 1989 a most inconvenient year. C-stores are being whipsawed between conventional grocery and drug stores, which are expanding their retail lines, and the big oil companies, which are busily converting self-serve pump stations to mini-markets.

At press time, segment leader **Southland** was wait-



ing to see if bondholders would swap high-interest notes for zero-coupon bonds with a much longer maturity: Only then will **Ito-Yokado**, one of Japan's biggest retailers and majority owner of **7-Eleven Japan**, agree to buy a 75% interest in the ailing company.

Meanwhile, No. 2 **Circle K** filed for Chapter 11, brought down by a \$1.1 billion debt load from its stratospheric growth under former CEO **Karl Eller**. Rosemont, IL-based **Convenient Food Mart** filed for bankruptcy after settling franchisee lawsuits for overstating first quarter '88 earnings by more than 200%.

Despite segment woes, both **Wawa Inc.** and **Emro Marketing** did well enough to make the 400 for the first time this year.

SPOTLIGHT

Chart House Plots IPO Course

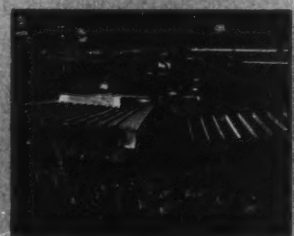
The public market was a choppy one for restaurant stocks in 1989, but three companies did set sail for the first time: **Applebee's International**, **Rally's** and **Chart House Enterprises**.

Chart House falls into a category Wall Street rarely understands: mid-to-upscale dining. The chain consists of 60 or so high-end dinner houses—average checks are about \$20 for dinner, the only meal many of these units serve—and the 14-unit **Paradise Bakery** chain, which sells fresh muffins, cookies and sandwiches in mall sites.

The company is nicely positioned for aging, affluent baby boomers and their yen for a more deluxe restaurant experience with plenty of atmosphere. And since no

single chain dominates the nationwide casual-dining market the way **McDonald's** does in fast-food, CHE's success will depend less on mobilizing millions of ad dollars than on executing well on a unit-by-unit basis.

CHE management hopes to increase revenues and earnings per share by 15% a year. That's not unreasonable: Established in 1961, the chain has seen continual sales and operating growth for the last 20 years. Most new growth will come from unit expansion, though CHE has not set a target for yearly openings.



Each **Chart House** unit's design is unique to the site.

PERFORMANCE

Black Ink, Red Ink

Fast-food stock as a whole had a tough year. The price of **Wendy's International** shares declined in 1989 as heavy discounting and tight competition kept a lid on earnings gains. **Carl Karcher Enterprises** proved unable to overcome higher produce and operating costs; real same-store sales dropped 3% in '89, dampening the company's stock price.

A wide range of midscale full-service chains were standout performers in the '89 market. **Sbarro**, **Chili's**, **Cracker Barrel**, **Buffets Inc.** (parent of **Old Country Buffets**) and **VICORP** (operator of **Village Inns** and **Bakers Square**) all outperformed the market.

A handful of chains emerged from Chapter 11 in '89—most notably, **PoFolks**, trimmed down from 164 to

PoFolks

136 units and showing a profit again. But several others went the other way. Perhaps the most highly visible was casino operator **Resorts International**. At press time, RI's reorganization plan was waiting for federal approval.

Bombay Palace Restaurants and **Pantera's Corp.** also filed for bankruptcy protection because of heavy debt burdens from acquisitions made in '87—**Lifestyle Restaurants** (parent of **Beefsteak Charlie's**) in the case of **Bombay**, **Pizza Inns** by **Pantera's**. Others in Chapter 11 at press time include **K-Bob's Steak Houses** (as of 12/89) and **Dino's/Crusty's Pizza** (as of 6/89, due to emerge in 6/90).

400: SITES



Rally's: 275 units will be open by year-end.

DOUBLE DRIVE-THRU

Rally's Goes National

■ Fall the double-drive-thru chains born in the mid-'80s, only one, Rally's, seems headed for national status. The Louisville, Ky.-based chain enters the 400 this year ranked as No. 179 (sales of \$102 million), with 210 restaurants in 24 states.

What's more, it has succeeded in opening double-drive-thrus in the North, where heavy traffic and inclement weather are most likely to hurt drive-thru sales. The chain operates 12 restaurants in Detroit and seven in the Indianapolis area.

Rally's top management, headed by former Kentucky Fried Chicken executive Richard Sherman, says its secret is simple. The menu is limited, burgers are priced 30% cheaper than the top four burger chains, and service is fast, although service times are not guaranteed. The restaurants are small—720 square feet—and require initial investment of about \$550,000.

Rally's formula has paid off in several ways: Average unit volumes are \$918,000; discounting figures only 6% of transactions (compared to a 30% average for all of fast food), and its sales-to-investment ratio averages 1.62 (compared, Rally's says, to 1.04 at McDonald's and .90 at Wendy's).

SPOTLIGHT

Double-Ups Return

■ Remember when Hardee's and 7-Eleven tried to do business under one roof? Or Pizza Inns and Circle K?

Those early attempts at combining have given rise to the much simpler approach of selling branded products under new roofs. Marriott Corp. has inked deals to sell Mrs. Fields Cookies and Dunkin' Donuts at its contract management sites. American Airlines offers passengers single-serving cups of I Can't Believe It's Yogurt yogurt. Domino's Pizza delivers—to schools in the 100,000-student Orange County (Fla.) School District, and to a half-dozen hotels around the country.

Other companies combine

their own brands under one roof. PepsiCo's three All in One stores offer a limited number of menu items from Pizza Hut, Taco Bell and Kentucky Fried Chicken. Steve's Ice Cream, which also owns Heidi's Frozen Yogurt and Swensen's, pairs one of its ice cream concepts with the yogurt concept, and soon will add David's Cookies to the combination. Steve's, however, does not plan to buy David's.

At least three companies plan to make "old-fashioned" combining work. KFC, through CattleGuard, a Houston-based company that does foodservice for several Sears stores, will open chicken stores in two of the chain's department stores. Starting this summer, Little Caesars will open pizza stores in several K mart's. Arby's operates three restaurants in Pilot Oil truck stops.

SUGGESTION BOX

Off-Premise Ideas

What is your company doing to get product to the customer in new ways?

■ "Testing credit-card acceptance, improved takeout packaging to improve portability and heat retention, testing finger foods that can be eaten in the car." —*Long John Silver's*

■ "Takeout meat, fruit, vegetable and cheese trays advertised through a full-color brochure; healthy-food delivery service to the campus offices." —*Michigan State University*

■ "Purchased POS units with monitors and headsets to speed up service, testing fax machines in certain units, using call-ahead for drive-thru orders." —*Steak 'n Shake*

■ "Purchasing new mobile food-serving equipment adaptable to any location." —*Pu. School District*

■ "Distro 110 and Randall's RibHouse are involved with Room Service, a home-delivery service in the Chicago area." —*The Levy Restaurants*



STRATEGIES

The Conversion Factor

■ One chain's underperforming unit is another chain's star—or so think executives at Carl's Jr., Rax, Shoney's and Arby's.

In 1989, Rax bought and remodeled eight buildings, including a Perkin's in Ohio, a Bojangles' in Indiana and a Firestone Tire Center in Pennsylvania. Arby's purchased and remodeled 12 Rax stores in Solano County, Calif. Shoney's bought nine Elby's restaurants in the Columbus,



Shoney's bought and converted 14 restaurants in '89.

Ohio, area and another five on the East Coast. Carl's Jr. purchased 10 Wendy's in Tucson, Ariz., from a Wendy's franchisee.

REAL ESTATE

Bob Evans

'Buys' Neighbors

■ It's good, but just a bit too large? Bob Evans buys the whole thing—if the price is right, says Bob Wood, chief operations officer at the family-dining chain. The chain sells the remaining land to a budget motel, service station, c-store or even another foodservice chain, provided it's not a family-dining chain. About 21 of the chain's 232 units are located on such sites, Wood adds.

400: EXECUTIVES



SMOOTH MOVES

Executive Merry-Go-Round

Executives in the 400 have been making major moves between companies: **John M. Cranor III** succeeded **Richard Mayer** as president of Kentucky Fried Chicken Intl. Mayer took a top post at a food manufacturer. **Kyle Craig**, former assistant to the chairman at PepsiCo, replaced **Steven V. Fellingham** as president of Kentucky Fried Chicken USA. Fellingham is now chairman and CEO of Carvel Corp. ... **Michael P. O'Donnell**, former senior vice president at TGI Friday's, succeeded the late **Eric Bernard** as president and CEO of Ground Round. ... At Burger King, **Barry Gibbons** became CEO last February. This past March, **C. Ronald Petty** resigned his post as president. **Gary Langstaff** left the top marketing spot at Hardee's to take the same job at BK. ... Former Church's President **Ernest Renaud** is now president of Skats, a 20-unit fast-food chain. ... **Steve Leipsner** left his executive vice president post at Marriott to become CEO of Service America. ... **Jeff Rogers**, former CEO of USACafes, is now CEO of Pizza Inns. ... **Vern Stewart**, former COO at Sonic Drive-Ins, joined A&W as executive vice president and COO.

MONEY

SALARY SAMPLER

Careers in foodservice can be lucrative indeed, as this sampling of 400-company executive pay attests.

Executive/title/company	Salary + Bonus
Michael D. Eisner , Chmn. & CEO, Walt Disney Co.*	\$9.59MM
Ralph E. Abion , Chmn. & CEO, Ogden Allied Services Corp.*	2.00
John Teets , Chmn. & CEO, Greyhound Dial Corp.*	1.76
Kenneth A. Macke , CEO, Dayton Hudson Department Stores*	1.45
David A. Jones , Chmn. & CEO, Humana Inc.*	1.04
Alvin C. Copeland , Chmn. & CEO, Al Copeland Enterprises Inc.	1.03
J. Willard Marriott , Chmn. & CEO, Marriott Corp.*	1.01
Michael R. Quinlan , CEO, McDonald's Corp.	1.01

*Excerpted by permission of Forbes magazine, May 28, 1990. ©Forbes Inc., 1990.

SPOTLIGHT

The Arby's Affair

When **Ira Hermann** left **Arby's** last spring to take the helm of competitor **Rax**, he started an executive soap opera that has yet to air its final episode.

Sources guess that Hermann's unexpected move was sparked by tension between the chain's top executives and owner **Victor Posner**. That tension escalated to a battle between Posner and Arby's franchisees for control of the chain. **Len Roberts**, Arby's CEO at the time, sided with franchisees and was ousted by

Posner for his efforts. In January, Roberts landed in the chairman's office at Shoney's.

Meanwhile, **Frank Belatti**, another turnaround-team member at Arby's, had been named to replace Roberts. CFO **Kam Nassar** and Executive Vice President **Russ Cooper** seemed likely to stay put—until this spring, when Cooper left to join Roberts at Shoney's.

Back at Rax, Hermann wooed two more managers from Arby's: **Betty Marshall** to head up purchasing and **G. Bill Burton** to take over Rax's real estate department. Marshall, alas, has already departed Rax for Shoney's.



BELATTI



COOPER



ROBERTS

Cooper: Torn between two bosses?

PROMOTIONS

Climbing the Corporate Ladder

Top executives are rising through the ranks: **Michael R. Quinlan**, chairman and CEO of McDonald's, was named chairman. **Fred Turner** took the title of senior chairman. ... **Thomas Monaghan** named **David Black** president and CEO of Domino's. Monaghan retains the title of chairman. ... **William E. Prather Jr.** succeeded **Jack A. Laughery** as CEO of Hardee's last November. ... **Ralph Erben** succeeded **John Lahourcade** as CEO of Luby's Cafeterias. ... **Joe Byrum** became CEO at Morrison's Custom Management after **John Metz** retired.

IN MEMORIAM

Foodservice Farewells

The foodservice industry lost some its finest members in the last year: **Eric Bernard**, former chairman of The Ground Round, died in late September. He was 57. ... **Richard Hohman**, president of Country Hospitality, died at his home in Edina, Minn., of cancer last June. Hohman's foodservice career spanned more than 30 years. ... **Max Rosey**, publicist for Nathan's Famous for 25 years, died Jan. 9 after a lengthy bout with cancer. He was 79. Rosey was renowned for his publicity stunts, which included launching a campaign for a pig farmer to become U.S. president. ... **Will Clayborn**, the highly innovative senior vice president of marketing at Bonanza, suffered a heart attack and died last June. He was 38.

400: INTERNATIONAL

NEW MARKETS

Moscow: Red Hot

After nearly a decade of negotiating, building factories and creating supply lines, **McDonald's** finally opened in Moscow last fall. The 700-seat restaurant serves about 30,000 people a day; lunch lines start forming at 9 a.m. The burger giant's success poses one question: Who's next?



McDonald's in Moscow: Negotiations started nearly a decade ago.

The answer is **Pizza Hut**, which has been negotiating for a Moscow site almost as long as McDonald's did. An agreement parent company **PepsiCo** signed to trade soft-drink syrup for Russian vodka might speed things along: Pizza Hut executives say they hope to open three restaurants in Moscow, the first this fall.

Baskin-Robbins, too, is open for business in Moscow—after a fashion. The 31 flavors soon will be manufactured in Ostankino, a suburb of Moscow, and sold in Soviet grocery stores and at kiosks.

Yet another fast-food chain, **Nathan's Famous**, opened a hot dog stand in Moscow in October, and now is fretting over that move. The problem? Profits are too difficult to get out of the Soviet Union.

UNITS ABROAD

10 BIGGEST COMPANIES OVERSEAS

Contrary to popular belief, KFC is America's best-traveled fast-food chain. McDonald's, however, should surpass it this year: More than half its '89 openings were overseas.

	Company	Co.-owned	Franchised	Total
1.	KFC	772	2,236	3,008
2.	McDonald's	940	1,952	2,892
3.	Baskin-Robbins	0	997	997
4.	Pizza Hut	298	658	956
5.	Dairy Queen	0	579	579
6.	Burger King	145	519	664
7.	Dunkin' Donuts	0	350	350
8.	Domino's	68	251	319
9.	Shakey's	0	161	161
10.	Orange Julius	0	154	154

SPOTLIGHT

Franchise Deals

A number of chains will travel abroad this year via new franchise agreements with foreign partners:

■ **Burger King** will open in Budapest, Hungary, in October—the burger chain's franchisee is **Pannonia**, Hungary's biggest food-service operator.

■ **Dairy Queen** franchisee **Barney Chapman** will open Dairy Queen stores in Spain, Portugal and Italy.

■ **Trusthouse Forte** will open the first English **Sbarro** restaurant sometime this summer.

■ **Country Kitchen** plans to open 200 restaurants in Ja-

pan, the first five of which will be up and running by 1991. CK's partner is a Japanese railroad company.

■ **TGI Friday's** U.K. franchisee, **Whitbread**, will open a minimum of 10 Friday's in Canada during the next five years.

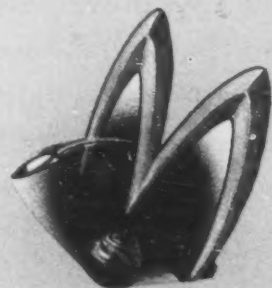
■ **Mansfield Brewery** plans to open at least 20 **Bonanza** restaurants in Britain during the next several years.

■ **McDonald's** will open a second restaurant in Hungary this year through an agreement with a Hungarian businessman.

■ **Arby's** has signed agreements for development of 35 units in Mexico City and five restaurants in Bangkok, Thailand.

■ **Marriott and Royal Co.**, a Japanese restaurant company, have teamed up to offer contract-management services in Japan.

■ **Carl's Jr.** will open in Malaysia, Singapore, Australia, Hong Kong, Indonesia, the Philippines, Thailand, Taiwan and New Zealand, thanks to an agreement it signed with international financial services firm **MBF**.



WHO'S WHERE

COUNTRIES WITH THE MOST AMERICAN RESTAURANTS

"Other" refers to countries that don't fall into a neat category (e.g. Greece, Malaysia).

1.	Japan	1,827
2.	Canada	1,338
3.	Other (Europe)	772
4.	Australia	750
5.	United Kingdom	726
6.	Other (world)	678
7.	Other (Asia)	546
8.	Caribbean	213
9.	Mexico	146

Source: International Franchise Association Educational Foundation Inc.

EXPANSION PLANS

Little Caesars Still Tackling Mother's

Usually, foreign buyers make all the news: Grand Met and Pillsbury, Inno-Pacific and Shakey's, Skylark and Red Robin. Last year, **Little Caesars** turned the tables when it bought **Mother's**, a Canadian pizza-delivery chain.

The buy has proven quite a challenge, says **Lisa Ilitch Murray**, Little Caesars' vice president of training and corporate communications. Mother's was bankrupt at the time of the purchase; the former 100-unit chain is now down to 41 units. Most of the shuttered stores closed before the sale became final, Murray says. The 25 that have been converted to Little Caesars stores offer both Little Caesars' pizza and Mother's popular pastas and salads.

Despite the headaches, Murray says Little Caesars doesn't regret the buy. "We love Canada—we've been there since 1968," she says, adding that the chain has opened 10 new units in Canada since January. "We plan to do business there for a long time."

400: INSTITUTIONS

GIANTS

The Top Five

Just how big are the five largest school and health-care systems? When combined, the commercial-sales equivalents for the top five school systems account for 72.2% of sales of all of the school systems listed in the 1990 400. The top five health-care systems' combined commercial-sales equivalents represent 58.5% of all health-care systems listed.

SCHOOLS

New York City Bd. of Ed.
No. of serving locations: 1,247
No. of meals/year: 130.7MM

Los Angeles Unified Sch. Dist.
No. of serving locations: 648
No. of meals/year: 98MM

Chicago Bd. of Ed.
No. of serving locations: 603
No. of meals/year: 61.2MM

Dade Co. (Fla.) Schools
No. of serving locations: 292
No. of meals/year: 38MM

Houston Independent Sch. Dist.
No. of serving locations: 227
No. of meals/year: 25MM

HEALTH CARE

Beverly Ent.
No. of beds: 95,913
'89 F&B purchases: \$96MM*

National Medical Ent.
No. of beds: 72,000
'89 F&B purchases: \$100MM

Hospital Corp. of America
No. of beds: 24,500
'89 F&B purchases: \$48.5MM*

Humana Inc.
No. of beds: 17,567
'89 F&B purchases: \$36.7MM

Daughters of Charity
No. of beds: 14,000
'89 F&B purchases: \$38MM

*RAI estimate

SPOTLIGHT

On the Road to Recovery

Averaged buyouts, spinoffs and downsizing are some of the remedies proscribed for the financially ailing health-care field. Here is a brief update on what several health-care companies are doing to restore financial health:

As of April, **Beverly Enterprises** had sold about 120 of the 370 long-term care facilities it put on the block last July—and it is showing a profit for the last three quarters.

American Medical International was acquired by



National Heritage Inc.

Chicago's Pritzker family for \$1.7 billion last fall. The company is in a good position to pay off \$1 billion in LBO-related debt by spring 1991, with \$400 million in asset sales, \$168 million from the sale of four Swiss hospitals and an operating income of \$135 million.

National Heritage's parent, Southmark, is in Chapter 11, bad news for NH because almost all of its nursing homes operate in partnership with Southmark. The agreement to merge NH with **Lifecare Centers of America** is still in discussion, but nothing will be resolved for several months.

Hospital Corporation of America, which went through a \$4.9 billion LBO last year, failed to sell its 54 psychiatric units, but its operating income is up 14% to \$853 million, so it is in promising shape to pay off LBO debt, analysts say.

SUGGESTION: BUY

Subsidy Solutions

How do you contain costs?

■ "We always look to generating more income. We assess what we can do with the money we have to build sales and find new markets. For example, we've had more than 6,000 orders from parents for our \$13 'Exams are in the Bag' care packages that we distribute during exam weeks."
—*Michigan State University*

■ "One of the most effective courses we took, which made us a bit unpopular for a while, was allocating a specific number of labor hours employees are allowed to work each week in each school. We increased productivity by 30% by raising our meals per labor hour from 12 to 18."
—*Dade County Schools*

■ "One step we take in many of our accounts is reducing menu size. Sometimes there will be 400 items when 200 would still provide plenty of variety and reduce food and labor costs at the same time. We do extensive customer surveys to pick the best items."
—*Marriott Food and Services Management*



MANAGEMENT

Contract Coups

The following list is a sampling of the largest contracts awarded to major food-service management companies in '89 and early '90.

Marriott Corp.
Granite Schools, Salt Lake City, Utah: \$9+MM
Indiana State University, Terre Haute: \$7+MM
ARA
Department of Commerce, Washington, D.C.: N/A
Montefiore Hospital, Pittsburgh: N/A
Canteen Corp.
Rich's Department Stores, Atlanta: \$6.8MM
Hudson County Meadowview, New York (health care): \$5.8MM
Service America
Ameritech, Chicago: \$13.5MM
University of Calif., Irvine: \$3+MM

MARKETING

Brand-Name Concepts Grow

Morrison's Custom Management began its Fast Takes take-out program this past April. The comprehensive food, service and merchandising concept is directed toward take-it-to-go customers in business, health-care and college accounts. The program includes four kinds of food components, menu marketing kits, training guides and employee sales incentives.

Canteen Corp. has developed a marketing program that helps its managers plan promotions, enhance cooking techniques, train better, develop and market creative food themes, and improve customer service. More on both in R&I's 400 Part II (July 25).

400: MARKETING

BIG CAMPAIGNS

Kids, Cable and Cookie Puss

oodbye, "Good times": After six years with the old slogan, McDonald's will stress "Food, folks and fun" in the '90s. ... Hardee's "Marty" campaign replaced shots of grilling burgers with emotional stories about Marty, the gruff manager. ... Subway rolled out its first national TV campaign, using the tag line, "Subway—It's My Way." ... Domino's kicked off "It's Time For Domino's Pizza," a campaign aimed at time-pressed adults. But will this have the same high visibility as the irritating but memorable Noid? ... After a two-year absence from Saturday morning TV, Burger King will spend millions on ads during children's programs in '90; McDonald's, which spent \$20 million in that daypart last year, will up spending in response. ... Pizza Hut signed a long-term marketing deal with Nickelodeon cable, while Domino's and Showtime are cross-merchandising discounts on pizzas and cable subscriptions. ... CEOs go Hollywood: Herman Cain did stand-up shtick for Godfather's Pizza, while Wendy's founder Dave Thomas lent a down-home touch to ads for the Super Value menu. ... Two publicity perennials hung up their pitching spikes this year. Ice-cream maker Carvel traded Tom Carvel's ground-glass rasp for a \$6 million campaign of Hal Riney spots that sell the Carvel experience rather than Cookie Puss. And Leona Helmsley has abdicated from that hotel chain's latest print ads while appealing her conviction for federal income tax fraud.

SPOTLIGHT

The Return of the King

ork goes on to build the menus and rebuild the service, but marketing has also figured largely in Burger King's comeback bid this year. The chain had to cut short an



Ninja Turtles helped Burger King catch the kids.

COMPETITION

Fast Feuds

lame it on the tightening quick-service market, or maybe on the high cost of TV time. Whatever the reason, ad competition among the big chains sometimes took on the finesse of a street brawl this past year.

Arby's and Kentucky Fried Chicken both aired commercials that put a very familiar figure in compromising positions. One showed a dispirited clown eating a roast beef sandwich in his dressing room. The KFC ad had a red-haired "Mr. McDonald" play with toys as he testified before a hostile Senate committee. That ad, one of a series in KFC's "Project M," a concerted assault on McDonald's lunch and snack-time chicken trade, was rejected by CBS as "denigrating" to McDonald's.

Meanwhile, Chick-fil-A

ambitious flight of image ads in December '89. But after initial franchisee resistance, the ads—split in May '89 between D'Arcy Masius Benton & Bowles and Saatchi & Saatchi—seem to be catching on.

The chain has chosen to target two groups: teens and kids. New burger "Doubles" hark back to the customized "Have It Your Way" era, but their appeal to adolescents is still unproven.

BK has undoubtedly broken McDonald's hold on the kids' market, however. BK Kids' Club, launched in January '90, has signed more than a million members; and *Teenage Mutant Ninja Turtles* and *Beetlejuice* tie-ins brought solid sales gains. This summer the two go toe to toe—McD's \$40 million *Dick Tracy* promo versus BK giveaways with bratty Bart Simpson.

took exception to Wendy's televised claim to have the "best chicken sandwiches in the business." The Atlanta-based chain, which says it originated the chicken sandwich three decades ago, charged that the claim was false advertising and demanded the ads be pulled or revised to specify "best in the hamburger business." No action was taken before the ads ended their flight.

Finally, Pizza Hut went after McDonald's pizza tests with an ad showing a hockey-puck pizza and advising customers to "Make No McStake" about which chain used fresh-made dough.



SPENDING

TOP 10 TV AD BUDGETS

Restaurants spend \$22.2 million weekly on TV ads, trailing only car makers and retailers.

1. McDonald's	\$8,104.5K
2. Burger King	3,070.3
3. Kentucky Fried Chicken	2,244.9
4. Wendy's	1,760.3
5. Pizza Hut	1,752.6
6. Domino's	1,130.0
7. Taco Bell	1,129.8
8. Hardee's	744.6
9. Long John Silver's	512.5
10. Arby's	455.6

Data: Adweek Marketing Week, March 5, 1990 (average weekly figures for 1989)

TRAFFIC BOOSTS

The Discount Defense

veryone hates it; almost everyone did it. The biggest chains picked up the discounting pace in '89-'90, starting at the top. McDonald's, usually the leading opponent to cents-off promos, began discounting last summer to combat a surprising drop in hot-weather traffic. The "Blast Back With Mac" coupons offered rebates on customers' next visit.

Then came last fall's roll-out of Wendy's Super Value menu, with a range of 99-cent "Biggie" burgers, salads and shakes. Burger King cut short a flight of new "image" ads to run a 99-cent promotion blitz of its own (supposedly planned before the arrival of Marketing Vice President Gary Langstaff). KFC followed suit last February after poor fourth-quarter sales.

Discounts don't always erode earnings. Taco Bell made permanent its 49-cent tacos and 59-cent burritos, two items that account for about half of the chain's total sales. Why not? Even with the price cuts, sales rose 30.6%.

400: RANKING

400

RULES OF THE RANKING

R&I presents the 26th annual 400 ranking—the most authoritative list of its kind in the foodservice industry.

Under a system begun last year, the 400 breaks out concepts individually instead of putting them under the umbrella of a parent company. This allows the list to track the growth of "name brands" like Pizza Hut and Ruby Tuesday rather than simply reporting on PepsiCo or Morrison as a whole. Parent companies as of press time are named in the chart copy.

Since franchisees' sales and units are included in their franchisors' system-wide totals, *R&I* does not list them in the 400. Nor are purchasing groups considered part of the rank, since they buy food for resale to 400 members.

To compile the 400, editors request foodservice sales figures either for calendar '89 or for a fiscal year ending after June '89 and before July '90. Sales and unit figures include all stores in a system, company-owned and franchised, domestic and foreign. They do not include licensing fees, royalties or revenue from distribution or equipment divisions. To the extent possible, unit figures given are for the same time span used in the sales data.

Institutions commonly sell food at a lower markup than

commercial operators. In these cases, editors request total food purchases for '89 (or projected purchases into '90) and apply a multiplier of 2.8 to arrive at a commercial sales equivalent (indicated by a dagger† in the charts). The 2.8 factor translates into a food cost of about 35.5%—midway between fast-food and full-service restaurants.

Where companies cannot (or will not) break out sales and units for individual concepts, *R&I* editors estimate those figures with the aid of outside resources. All figures marked with one asterisk (*) are *R&I* estimates. Figures followed by two asterisks (**) are estimates or projections by the companies themselves.

As in all financial documents, footnotes are important to the 400. The notation (A) indicates that a company's sales, units or rank cannot legitimately be compared to last year's figures. This might occur when a multiconcept company reorganizes its divisions. Of course, many newcomers to the list have no past 400 data to compare to this year's figures. However, *R&I* tracked a handful of organizations for several years before they broke into the ranking as new members; in these

cases, their '88 numbers are given and the growth comparisons made.

A footnote (B) indicates that a company has used a new method of reporting that makes comparisons impossible, such as a switch from a calendar to a fiscal year. Footnote (C) indicates that a company has estimated its franchisees' sales, while (R) indicates a revision in a figure published in last year's 400—usually because a company has replaced an estimate with hard numbers.

All sales totals are given in millions. The abbreviations MM and K in copy denote millions and thousands respectively. AUV stands for average unit (sales) volume; this number is an average of systemwide store sales figured annually, unless otherwise noted. Fy stands for fiscal year, PC for parent company.

Companies that merged during 1989 are listed separately in the ranking if they were independent for more than half the year. Where two or more companies supplied the same sales figures, actual numbers take priority over company estimates, which in turn precede *R&I* estimates. Companies still tied after these determinants are listed in alphabetical order.

& RESTAURANTS INSTITUTIONS

1

McDonald's Corp.
Oak Brook, Ill.
Franchisor (fast food/hamburgers)

17,333.4
(16,100.0)

7.7

11,162
(10,513)

6.2

Co. turns up heat on all burners—promos, menu innovations, discounts. McPizza a go; other steps to build p.m. business under study. Big growth to happen overseas with new units in Moscow, E. Europe. AUV \$1.6MM.

2

Burger King Corp.
Miami, Fla.
Franchisor (fast food/hamburgers)

5,700.0**
(5,400.0)

5.6

6,051
(5,793)

4.5

BK Broiler and Kids Club going strong; Bart Simpson to break rules in co.'s new campaign. '89 sales estimate reflects transitional "stub yr" during conversion to new fy.) AUV \$1MM. PC: Grand Metropolitan PLC. Fy end 9/89.

3

Kentucky Fried Chicken
Louisville, Ky.
Franchisor (fast food/chicken)

5,310.0
(5,000.0)

6.2

7,945
(7,761)

2.4

"Hot Wings" promo flew so well co. ran out of product. Meanwhile, tests of non-fried products continue. 3,000th unit opened abroad. Kyle Craig is new pres of KFC USA. Domestic AUV \$607K. PC: PepsiCo.

4

Pizza Hut
Wichita, Kan.
Franchisor (fast food/pizza)

4,090.5*
(3,390.0)

20.7

7,410
(6,662)

11.2

Pizza giant will focus on delivery/carryout, mall units, kiosks in airports, schools and hospitals, plus "Lover's" line extension. In '90, still more delivery, remodeling program, lunch focus. AUV \$570K. PC: PepsiCo.

5

Marriott Food & Services Management
Washington, D.C.
Contract management

3,965.0†*
(3,353.4†*)

18.2

2,390**
(2,300*)

3.9

Acquired Corporate Food Services, upscale N.Y.-based B&I contract feeder, and Sogsabec Ltd., French-Canadian fs firm. Expanding in child care, c-stores, maintenance. Joint venture for fs in Japan. PC: Marriott Corp.

6

Wendy's International Inc.
Dublin, Ohio
Franchisor (fast food/hamburgers)

3,036.0
(2,902.0)

4.6

3,755
(3,762)

-0.2

Dave Thomas ads a hit, but reviews of co. performance mixed. Permanent Super Value menu showcases 99-cent small items, Biggie fries and drinks. "Dave's Deluxe" burger rolled 5/90. Bob Barney departed. AUV \$789K.

7

Hardee's Inc.
Rocky Mount, N.C.
Franchisor (fast food/hamburgers)

2,921.3*
(2,733.3*)

6.9

3,231
(3,100)

4.2

Conversion of 648 Marriott Roy Rogers to take chain into NE and perhaps higher on '91 400. Meanwhile, cost-cutting, grilled chicken sandwich, return of Big Twin double burger aid bottom line. AUV \$923K. PC: Imasco USA.

8

USDA Food & Nutrition Services
Washington, D.C.
Institutions

2,757.9†
(3,035.8†)

-9.2

91,493
(89,791)

1.9

Decrease in dairy supports means less production and fewer commodities (\$300MM less since '87) to buy and pass on to schools. Lingering effects from '88 drought also hurting produce availability. Fy end 9/89.

9

Domino's Pizza Inc.
Ann Arbor, Mich.
Franchisor (fast food/pizza)

2,500.0
(2,300.0)

8.7

5,220
(4,943)

5.6

Country's second-largest pizza chain is for sale, but no takers. Founder/Chmn Tom Monaghan says junk-bond collapse rules out sale to employees. Corp. staff cut by 100+; David Black took presidency fall '89. AUV \$468K.

10

ARA Services Inc.
Philadelphia, Pa.
Contract management

2,500.0
(2,350.0)

6.4

2,600
(2,500)

4.0

Classic Fare, off-premise catering program, to become in-house program available to all account segments. Strong overseas expansion; 200 accounts now in Japan. Europe, esp. Eastern bloc, next major target. Fy end 9/90.

*RAI estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

		1989 Sales (\$ mil.)	% Change	1990 Sales (\$ mil.)	% Change	
11	Dairy Queen Bloomington, Minn. Franchisor (fast food/sweets)	2,179.0 (2,067.0)	5.4	5,206 (5,122)	1.6	Soft-serve queen celebrated 50th yr with yogurt intro, ongoing program of low-interest remodel loans. Texas franchisee to open units in Italy, Spain and Portugal. PC: International Dairy Queen Inc.
12	Taco Bell Irvine, Calif. Franchisor (fast food/Mexican)	2,129.5* (1,630.0)	30.6	3,125 (2,930)	6.7	Sales jump impressive in light of deep (and permanent) discounts. '89's Batman promo hiked traffic 45%; operational changes cut avg service time at peak hrs by up to 70%. Domestic AUV \$686. PC: PepsiCo.
13	The Sheraton Corp. Boston, Mass. Lodging	1,557.7 (1,600.0)	-2.6	1,718 (1,750)	-1.8	In '89, co. signed joint venture with USSR to own and operate 2 Moscow hotels and opened 1st Sheraton Suites property. In '90, co. to focus on E. Europe and open 3 more domestic all-suites.
14	U.S. Army Center of Excellence, Subsistence Fort Lee, Va. Military	1,386.0† (1,332.8†)	4.0	936 (995)	-5.9	New name reflects merging of Quartermaster (operates mess halls) and Troop Support Agency (trains fs personnel). Finalizing plans for own fast-food concept, which can be placed inside dining halls. Fy end 9/89.
15	Canteen Co. Chicago, Ill. Contract management	1,369.9 (1,288.8)	6.3	1,972 (1,883)	4.7	Co. cut overhead for \$10MM savings in '89. Introduced major new mktg program; promos, signage, recipes included. Brand concepts going strong but business div. sales down slightly from '88. PC: TW Holdings.
16	Red Lobster Orlando, Fla. Full service (seafood)	1,360.0** (1,300.0**)	4.6	461** (512)	-10.0	In '90, to add most units (38) in 15 yrs, mostly in Calif. and small communities. "Phone Ahead" program helped raise AUV to \$2.97MM. New decor, uniforms this fall. PC: General Mills Restaurants Inc. Fy end 5/90.
17	Marriott Lodging Division Washington, D.C. Lodging	1,303.6* (1,218.3*)	7.0	662* (585*)	13.2	Chmn J.W. Marriott Jr. underwent bypass surgery in '89; key exec John Dasburg resigned; co. selling off restaurant chains. In '90, 1st quarter lodging sales were up 12% over same period '89.
18	Arby's Inc. Atlanta, Ga. Franchisor (fast food/sandwiches)	1,300.0 (1,160.0)	12.1	2,247 (2,049)	9.7	Amid exec-level turmoil, stores test computerized order systems and credit cards. Aggressive product development, promos, new menu boards and bldg. designs. Improving field services to franchisees. PC: DWG Corp.
19	Denny's Inc. La Mirada, Calif. Franchisor (full service/family dining)	1,284.0 (1,300.0)	-1.2	1,342 (1,299)	3.3	Lunchtime Express is traffic builder, but Corwin Sisters ads took flak from seniors. \$3.5MM facelift for 23 co. units in Orlando—top market with 11% of chain's revenues. Co. to trim menu by 25%. AUV \$1.1MM. PC: TW Holdings.
20	Little Caesars Pizza Detroit, Mich. Franchisor (fast food/pizza)	1,130.0 (908.0)	24.4	2,700 (2,180)	23.9	Domino's neighbor looking for another good yr with 600 new units planned. Co. still mulling over fate of Mother's, the Canadian chain it picked up in '89. Sold New York metro area franchise rights to Riese New York.

*RAI estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

RESTAURANTS & INSTITUTIONS

	Company Name	1989 Sales (\$ mil.)	1989 EBITDA (\$ mil.)	1989 Sales (\$ mil.)	% Change	Notes
21	Service America Corp. Stamford, Conn. Contract management	1,100.0 (1,001.0**)	9.9	1,500 (2,000*)	-25.0	Steve Leipsner named CEO. Major new accounts: 5-yr. contract with Ameritech; 10-yr. contracts with Denver convention center and U. of Fla., Gainesville. Jeff Flynn, new VP human resources. Fy end 3/90
22	Hilton Hotels Corp. Beverly Hills, Calif. Lodging	1,094.0 (1,054.0)	3.8	1,213 (1,185*)	2.4	After courting buyers unsuccessfully, co. went off market; stock price dropped from last summer's \$115½ to less than half that by 3/90. Meanwhile, opened 1st Hilton Suites and limited-service CrestHil hotels.
23	Big Boy Warren, Mich. Franchisor (full service/family dining)	1,009.0 (994.0**)	1.5	924 (912)	1.3	The Big Guy launched multimedia mktg push, "More to Love at Big Boy," to spotlight expanded menus, senior diners' programs, healthful items, new uniforms, in-store bakeries with takeout counters. PC: Elias Bros.
24	Sizzler Restaurants International Los Angeles, Calif. Franchisor (full service/steakhouses)	925.0** (850.0)	8.8	652** (625)	4.3	Costly buffet rollout to pressure margins in short term, spur sales in future. Co. might speed growth by buying, converting some family-style restaurants now on market. Fy end 4/30. PC: Collins Foods Intl.
25	U.S. Navy Food Service Systems Washington, D.C. Military	904.4† (896.0†**)	0.9	691 (684)	1.0	With 507K enlisted troops, meals served are down about 1%. But food buying is up as Navy tries to add higher quality, more healthful choices, e.g., more whole-grain cereals and olive oil. Fy end 9/89.
26	Caterair International Potomac, Md. Transportation	900.0 (—)	—	100 (—)	—	New name for Marriott's In-Flite Services, jettisoned by PC in \$600MM sale to sr mgmt in '89. Ex-Marriott VP Daniel Altobello now CEO/pres. Co. serves 150MM meals to 150 airlines at 45 U.S., 38 foreign ports.
27	Dunkin' Donuts Inc. Randolph, Mass. Franchisor (fast food/sweets)	880.0 (777.8)	13.1	1,900 (1,767)	7.5	Saved from nasty takeover fight by white knight who then snapped up rival Mr. Donut; units to convert to DD if they wish. Co. debuted bagels, to appear in Marriott contract accounts. AUV \$510K. PC: Allied-Lyons PLC.
28	Holiday Inn Hotels Memphis, Tenn. Lodging	869.0** (751.3*)	15.7	2,786** (1,700)	63.9	Sold in '89 to London-based Bass PLC; Other Holiday brands spun off into Promus Corp. Expansion plans call for 90 openings per yr through '94. Intl. division expanding top-end economy Garden Court concept.
29	Hyatt Hotels Corp. Chicago, Ill. Lodging	863.9* (796.2*)	8.5	350** (320)	9.4	Co. opened 1st free-standing restaurant, Japengo, at its Hyatt Regency LaJolla property. Expansion plans call for more free-standing restaurants at other properties, as well as more all-suites.
30	Shoney's Restaurants Nashville, Tenn. Franchisor (full service/family dining)	862.4 (864.1)	-0.2	680 (636)	6.9	CEO Leonard Roberts took helm in Dec. to start aggressive franchising program. Family diner should be co.'s fastest growing concept in next few yrs; real sales increased 3.2% in '89. AUV \$1.5MM. Fy end 10/89. PC: Shoney's Inc.

*R&I estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

Rank	Organization Headquarters	1989 sales (\$ mil.)	% change	89 units	% change	Notes
31	Jack In The Box San Diego, Calif. Franchisor (fast food/hamburgers)	833.9 (755.0)	10.5	986 (961)	2.6	West Coast's "adult fast food" chain added double-fudge cake, ham and turkey melt sandwich. Feted debut of 1,000th store 5/90. Opened 38 units, sold 62 to franchisees. AUV \$308K. Fy end 10/89. PC: Foodmaker Inc.
32	Subway Milford, Conn. Franchisor (fast food/sandwiches)	800.0 (600.0)	33.3	4,091 (2,888)	41.7	Co. plans 1,200 new units for '90, 25th birthday yr. Rubbing DeLuca magic onto Cajun Joe's chicken chain, purchased late last year. 146 units franchised outside U.S. Meats shipped in boxes reusable for takeout.
33	Long John Silver's Seafood Shoppes Lexington, Ky. Franchisor (fast food/seafood)	783.1** (765.3)	2.3	1,490 (1,478)	0.8	DJS/Inverness selling Jerry's, Fazoli's and Florenz to concentrate on LJS. Testing 2-minute lunch guarantee. Co. plans 20 new franchises in '90, but closing 16 co. units. PC: Jerrico. Fy end 6/90.
34	7-Eleven Dallas, Texas Retail (convenience stores)	726.5** (701.0*)	3.6	7,000* (7,200)	-2.8	PC Southland hopes to sell 75% of equity to Japanese licensees for \$400MM—but first must convince bond holders that swapping \$1.8 billion in debt for co. stock beats bankruptcy. Fs 8.7% of avg store sales.
35	Ponderosa Inc. Dayton, Ohio Franchisor (full service/steakhouses)	687.0 (749.0*)	(A)	735 (718)	2.4	Bonanza buy made PC instant owner of 1,600 budget steakhouses. Both to combine ad dollars for more natl. exposure. Co. might convert or close some Bonanzas where territories overlap. PC: Metromedia Steakhouses.
36	Baskin-Robbins Ice Cream Co. Glendale, Calif. Franchisor (fast food/sweets)	676.4* (692.7*)	-2.4	3,351 (3,386)	-1.0	31-flavor fave has signed joint venture with USSR for ice cream plant by '92, to sell for rubles and hard currency. Rolled no- and low-fat frozen yogurt under tag line "More to Love Us For." PC: Allied-Lyons PLC.
37	Army & Air Force Exchange Service Dallas, Texas Military	618.2† (577.9†)	7.0	2,173 (2,102)	3.4	Expanding signature concepts such as Anthony's Pizza and Robin Hood Deli-Sub Shoppes. Co. to add chicken and sweets concepts in '90. Covers up 4% as result of increased food promos, coupons and TV ads overseas.
38	Days Inns of America Inc. Atlanta, Ga. Lodging	610.0 (370.8*)	64.5	951 (698)	36.2	Bought in '89 by Tollman-Hundley Lodging Corp, New York. Opened 28 limited-service Daystop properties. Intl. growth for various Days concepts targets Canada, Mexico, Pacific Rim, India, Europe and Hong Kong.
39	Morrison's Custom Management Mobile, Ala. Contract management	580.0** (531.0)	9.2	892 (880)	1.4	Launched Fast Takes takeout in 100% of participating accounts in May. Formed strategic planning group early '90. Biggest new contract: Mid-Atlantic Healthcare Systems. Fy end 5/90. PC: Morrison Inc.
40	Bonanza Restaurants Dallas, Texas Franchisor (full service/steakhouses)	588.0 (571.0)	3.0	575 (612)	-6.0	Jeff Rogers leaves, Michael Jenkins is new pres following Ponderosa merger. '90 to see new higher-quality, higher-priced entrees and more retail-oriented advertising. PC: Metromedia Steakhouses.

*RAI estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

Rank	Company	'89 sales (\$ mil.)	% change '88-'89	'89 units	% change '88-'89	Comments
41	Friendly Ice Cream Corp. Wilbraham, Mass. Full service (family dining)	560.0** (564.0)	-0.7	820 (848)	-3.3	Units friendlier after scheduled '90 upgrade. '89 brought new melt sandwich line and expanded breakfast menu. Successful \$1.99 Kids Meal Deal baseball-card premium added. PC: Tennessee Restaurant Co.
42	Westin Hotels and Resorts Seattle, Wash. Lodging	541.1* (489.3**)	10.6	495 ^a (261*)	89.7	Chieko Aoki, wife of Pres John Aoki, resigned as CEO shortly after being named in '89; 23-yr. co. veteran Larry Magnan filled the spot. Plans continue to double co. size to 130 properties by '97. PC: Aoki Corp.
43	Church's Chicken Inc. Jefferson, La. Franchisor (fast food/chicken)	530.0 (559.3)	-5.2	1,111 (1,481)	-25.0	Over 300 units closed in '90. Many co. stores to be sold to new and existing franchisees to help pay down debt due to A. Copeland Ent. debt financing incurred in March '89 acquisition. PC: A. Copeland Ent. Inc.
44	Popeyes Famous Fried Chicken Jefferson, La. Franchisor (fast food/chicken)	525.0 (485.0)	8.2	739 (715)	3.4	Revenues for '89 exceeded any previous yr. Unit growth came from Church's conversions and intl. expansion. Super Popeyes, with 110 seats, might be key to future growth. AUV \$710K. PC: A. Copeland Ent. Inc.
45	Carl's Jr. Anaheim, Calif. Franchisor (fast food/hamburgers)	510.0** (480.0)	6.2	541 (477)	13.4	ATM card system spreading. Co. rolled 1st finger food and low-cal menu; to add roast beef sandwich in '90. To sell 40 Ariz. units, franchise in Pacific Rim. AUV \$1.1MM. PC: Carl Karcher Ent.
46	Walt Disney World Co. Lake Buena Vista, Fla. Recreation	490.0 (382.0)	28.3	206 (179 ^a)	15.1	MGM Studios got rave reviews. Co. stalks adults with Pleasure Island, conventioners with Swan and Dolphin Hotels, Beach and Yacht Club. Some Disney Stores serve healthful food in Mickey's Kitchen. Fy end 9/89.
47	Inter-Continental Hotels Corp. Montvale, N.J. Lodging	475.0 (420.0**)	13.1	424** (424**)	—	After buying co. in '88, Seibu/Saison Group, Tokyo, sold 40% stake to Scandinavian Airlines in '89. Expansion plans target Japan, Indonesia, Argentina, Morocco and Canada. Renovated Chicago property debuted this yr.
48	Western Sizzlin Inc. Dallas, Texas Franchisor (full service/steakhouses)	465.0 (450.0)	3.3	515 (550)	-6.4	Closed 52 units in '89 and opened only 24 after mgmt buyout, but new look announced by Frank Carney to show up in 45 new units. Standardized menu was big thrust in '89. AUV \$919K. PC: Triton Group Ltd./Intermark Inc.
49	Bennigan's Restaurants Dallas, Texas Full service (dinner houses)	459.0 (458.1)	0.2	223 (222)	0.5	Spun off by Grand Metropolitan PLC, original "fern bar" opened 10 units '89; plans 1 in '90, none in '91. "Escape to Bennigan's" campaign in phase 2. AUV up 1% to \$367K. PC: DJS/Inverness. Fy end 6/90.
50	Ogden Allied Services Corp. New York, N.Y. Contract management	445.0** (425.0)	4.7	1,800 (1,725)	4.3	Remote-site feeder targeting airports. Since acquisition of Northmount Services, Vancouver, in '89, co. is largest of its kind in North America, but PC Ogden Corp. reportedly considering a spin-off.

*R&I estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

51	Dobbs International Services Memphis, Tenn. Transportation	442.1†* (421.9†*)	4.8	51 (48)	6.2	Airline caterer improving training, with leadership skills program for 300 top mgrs. Employee participation program garnered 6,000 system improvement ideas. PC: Greyhound Corp.
52	The Olive Garden Orlando, Fla. Full service (Italian)	440.0** (300.0)	46.7	145 (134)	8.2	Co. ups sales 4% with "Carnival of Venice." Plans regional promos, 55 new stores and more off-premise catering. AUV \$2.6MM. FY end 5/90. PC: General Mills Restaurants.
53	Golden Corral Corp. Raleigh, N.C. Franchisor (full service/steakhouses)	431.4 (456.0)	-5.4	494 (502)	-1.6	Co. trimming units, counting on event mktg to help business. Most successful: Downhome Harvest Days. Looking at takeout, delivery. Adding regional touches to menus.
54	Chi-Chi's Inc. Louisville, Ky. Franchisor (full service/Mexican)	430.5 (422.9)	1.8	208 (192)	8.3	Debuted smaller, 6,000-sq.-ft. unit for small-town markets. Tex-Mex menu, rolled out with natl. TV ads, now 12% of sales. New retention programs. PC: Foodmaker Inc.
55	Perkins Family Restaurants L.P. Memphis, Tenn. Franchisor (full service/family dining)	423.0 (375.0)	12.8	371 (341)	8.8	Perkins percolating with 30 new units, in-store baking. New items: summer salads. Scramblin's omelets. AUV in 114 co.-owned units: \$1.3MM. PC: Tennessee Restaurant Co.
56	Sky Chefs Inc. Dallas/Fort Worth Airport, Texas Transportation	415.0† (358.5† ^B)	15.8	41 (40)	2.5	Selected to cater Trump Shuttle. Opened kitchens in Fort Lauderdale and Phoenix. Introduced Benefits Plus and Personal Choice flexible benefits package. PC: Onex Corp.
57	Quality Inns International Silver Spring, Md. Lodging	414.0 (376.0)	10.1	897 (815)	10.1	'90 growth to focus on co.'s limited service properties: Sleep Inns and Comfort Inns. Should add total of 175 new properties worldwide this yr. PC: Quality International.
58	Sonic Drive-Ins Oklahoma City, Okla. Franchisor (fast food/hamburgers)	410.0 (356.0)	15.2	1,011 (980)	3.2	Small-town specialist ran Brown Bag, Triple Feature combos. New units have drive-thru windows. Ex-BK CEO Charles Olcott to build 300 Fla. franchised units. AUV \$400K.
59	TGI Friday's Inc. Dallas, Texas Franchisor (full service/dinner houses)	400.6 (373.0)	7.4	145 (136)	6.6	Planning growth through franchising, sold 10 co.-owned stores to franchisees. UK franchisee opened 1st unit in Germany; 10 slated in Canada. AUV \$3.3MM. PC: Carlson Cos.
60	Roy Rogers Washington, D.C. Franchisor (fast food/sandwiches)	400.0* (630.2*)	-36.5	638* (607)	5.1	Hardee's parent bought chain from Marriott for \$365MM. Insistent franchisees can keep Rogers name; but most units to be calling only their chicken Roy's. PC: Imasco USA.
61	Captain D's Restaurants Nashville, Tenn. Full service (seafood)	392.0 (374.3)	4.7	607 (588)	3.2	Co. store sales up 5.4%; real sales up 3%. Like co.'s other concepts, increased franchising under growth guru Len Roberts. 19-unit gain in '89; to open 29 in '90. PC: Shoney's Inc.
62	United Airlines Elk Grove Village, Ill. Transportation	383.2† (367.3†)	4.3	14 (15)	-6.7	Environmentally friendly skies: On-board recycling goes over big in Denver, but hampered by lack of space. Co. using reusable plastic salad and dessert bowls in coach.
63	El Torito Restaurants Inc. Irvine, Calif. Full service (Mexican)	379.0 (390.0)	-2.8	180 (179)	0.6	Matador Mike Casey brings in new healthful menu, vegetable-oil cooking; 4 \$7.95 combo dinners are best sellers. Tortillas made on-site. AUV \$2.3MM. PC: Restaurant Ent.
64	The Sailer Corp. Waltham, Mass. Contract management	376.1†* (204.8*)	83.6	487 (400)	21.8	Mktg push is on: Cuisine to Go, Slices Plus pizza, Party Platters and Combos combination meals. Set up career development program to boost retention. PC: Sodexo.

*R&I estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

Rank	Company	1989 Sales (\$ mil.)	% Change	1989 Units	% Change	Notes
65	Chili's Inc. Dallas, Texas Franchisor (full service/dinner houses)	371.3* (350.0**)	5.1	194* (183)	6.0	Plans 44 units fy '90; added 35 units in '89. Co. to expand 6-unit Grady's chain (now Regas Grill) and 1-unit Macaroni Grill in Midwest and SW. AUV \$2MM. Fy end 6/90.
66	Morrison Family Dining Div. Mobile, Ala. Cafeterias	368.0** (323.0)	13.9	175 (170)	2.9	Building 7 free-standing units and reorganizing mgmt structure in large divisions. 6 units to open in '90. AUV \$1.87MM; avg check \$4.74. Fy end 5/90. PC: Morrison Inc.
67	International House of Pancakes Restaurants N. Hollywood, Calif. Franchisor (full service)	359.0 (315.8)	13.7	480 (437)	9.8	To bolster image as 3-daypart restaurant, co. commits to dinner business, seniors' and children's programs. Remodeling pays off in \$747K AUV. Hot new idea: hot syrup.
68	U.S. Air Force Clubs Branch Randolph AFB, Texas Military	355.7† (337.4†)	5.4	400** (270)	48.1	Clubs becoming more business-oriented, increasing emphasis on improved bottom line, but also stressing food quality, customer service. "Recruiting" membership. Fy end 9/89.
69	Rax Restaurants Inc. Columbus, Ohio Franchisor (fast food/sandwiches)	334.6 (366.7**)	-8.8	492 (521)	-5.6	Welcome Ira Hermann, formerly of Arby's, as new pres/CEO. Menu redirected to focus on trademark: roast beef sandwiches. Price/value enhancement is next concern. Fy end 7/90.
70	K mart Corp. Troy, Mich. Retail	328.0 (342.6)	-4.3	1,737 (1,621)	7.2	Co. sold 100+ Kreskes to McCrory's; will speed plans to surpass Wal-Mart. 120 new stores and 500 remodels to get new fs facilities by '94. Testing in-store Little Caesars.
71	Radisson Hotel Corp. Minneapolis, Minn. Lodging	325.0 (268.0)	21.3	360 (340)	5.9	As tie-in to new Pierre Radisson Inn concept, co. debuts a concept restaurant, Brasserie. Sited only in hotels, chain should draw large lunch business from local community.
72	Piccadilly Cafeterias Inc. Baton Rouge, La. Cafeterias	320.0** (241.7*)	32.4	145 (132)	9.8	"Build Yourself a Healthy Meal" program targets different population group each month. Co. reports 3% traffic increase in '89. Plans to open 6-8 new cafeterias in '90.
73	Bob Evans Farms Inc. Columbus, Ohio Full service (family dining)	310.0 (290.0)	6.9	232 (223)	4.0	Co. building p.m. business with 7 meals under \$5, other promos similar to 2/89 breakfast push. Added new mgmt incentives, now testing credit cards. AUV \$1.4MM. Fy end 4/90.
74	TCBY Enterprises Little Rock, Ark. Franchisor (fast food/sweets)	303.0 (210.0)	44.3	1,627 (1,175)	38.5	Yogurt star still a growth supernova, jumping to Japan in mid-'90. Co.'s 1st natl. TV ad flight, Nickelodeon cable deal make for big mktg push in '90. AUV \$232K. Fy end 11/89.
75	Whataburger Inc. Corpus Christi, Texas Franchisor (fast food/hamburgers)	301.0 (260.5*)	7.3	438 (415*)	5.5	Net 16-unit growth in '89, might double that in '90. Plans systemwide rollout of biscuits, blueberry and bran muffins; testing credit cards, home delivery. AUV \$687K.
76	Pizza Inns St. Louis, Mo. Franchisor (full service/pizza)	300.0** (325.0**)	-7.7	685 (666)	2.9	High-profile purchase by Pantera's 2 yrs ago lands co. in Ch. 11: Spotlight on new CEO Jeff Rogers, who rebuilt Bonanza chain. Co. sold 135 stores to franchisees in '89. AUV \$400K.
77	U.S. Air Force Engineering and Services Ctr. Tyndall AFB, Fla. Military	295.4† (298.0†)	-1.1	615 (597)	3.0	More consolidation as Air Force plans to close 16 serving locations this yr. Customer service remains top priority; promo planned to improve in-flight meals. Fy end 9/89.
78	Ryan's Family Steak Houses Greer, S.C. Franchisor (full service/steakhouses)	295.2 (234.0)	26.2	143 (122)	17.2	Slow growth: 14 units in '89, 16 planned in '90; some analysts say co. should downsize new units, split dessert bar off from Mega Bar. AUV \$2.2MM; \$5.25 avg check.

*R&I estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

79	Round Table Pizza San Francisco, Calif. Franchisor (fast food/pizza)	295.0 (267.0)	10.5	551 (540)	2.0	Delivery now in 50% of stores. Off-premise customers account for 75% of sales, somewhat worrisome to RT execs. AUV \$545K. Chmn and 10-yr vet Scott Bergren left chain.
80	Luby's Cafeterias Inc. San Antonio, Texas Cafeterias	291.5 (262.0)	11.3	127 (117)	8.5	Remodeling 50% of units to add separate entrance for "Good Food to Go" takeout. Co. reports a 1% slip in customer count, plans 15 units in '90. AUV \$2.4 MM; avg check \$4.80.
81	Furr's/Bishop's Cafeterias L.P. Lubbock, Texas Cafeterias	291.0 (272.8)	6.7	156 (157)	-0.6	Wide variety on menu includes chicken fried steak to grilled seafood and more than 30 salads and vegetables prepared daily. AUV \$1.9MM; avg check \$4.59.
82	New York City Board of Education Long Island City, N.Y. Schools	282.8†** (241.6†**)	17.1	1,247 (1,238)	0.7	Meals served about same; free rose slightly. Suffered almost \$1MM loss (10.7%) in gov-donated commodities. Instituted training centers to help motivate employees.
83	National Medical Enterprises Santa Monica, Calif. Health care	280.0† (226.0†*)	23.9	658 (657)	0.2	Spinoff of Hillhaven units complete 1/90 though NME still retains interest in operations. Corp. HQ moved 12/89. Future to focus on psych and rehab facilities.
84	Waffle House Inc. Norcross, Ga. Franchisor (full service/family dining)	279.6* (262.1*)	6.7	684* (667)	2.5	Success recipe: Since 1955 private co. keeps low overhead (and prices), small no-frills units in high-traffic mostly sunbelt sites. No advertising. Open 24 hrs, 365 days.
85	White Castle System Inc. Columbus, Ohio Fast food (hamburgers)	278.4 (282.0)	-1.3	252 (237)	6.3	"Funny little burger" co. built breakfast menu in '89, added fried clams in some markets. Testing new drive-thru retrofit for its complex service lines. AUV \$1.2MM.
86	Wal-Mart Stores Bentonville, Ark. Retail	273.8* (—)	—	1,095 (—)	—	Discount chain boosts traffic at its snack bars with in-store coupons at check-out registers. Menu includes a variety of sandwiches, nachos, pretzels and desserts.
87	Ramada Hotel Group Phoenix, Ariz. Lodging	271.9* (547.3*)	-50.3	117* (790*)	-85.2	Last yr for this venerable 400 name: Co. sold lodging to Hong Kong investor and Prime Motor Inns, kept gaming; but 5/90, Prime sold 65% share in hotels to investment bank.
88	Beverly Enterprises Pasadena, Calif. Health care	268.8†* (268.8†)	—	885 (1,050)	-15.7	Cutbacks continue for health giant. 100+ units sold in '89. Current drive is to improve existing units despite plans for more sales in '90. Will move HQ to Fort Smith, Ark., 9/90.
89	Trans World Airlines Inc. New York, N.Y. Transportation	267.0† (267.0†)	—	3 (3)	—	Flat ridership, high leverage are bogeys on TWA's radar. Co. to focus on keeping its costs down—but barely managed to do so in '89. Studying unprocessed food costs carefully.
90	Chick-fil-A Inc. Atlanta, Ga. Fast food (chicken)	263.8 (232.9)	13.3	411 (390)	5.4	Co. opened 400th store last summer. New free-standing units to include drive-thru windows. Chain now battling Wendy's over "best chicken sandwich" title in ads. AUV \$660K.
91	Circle K Stores Phoenix, Ariz. Retail (convenience stores)	263.4* (263.4*)	—	4,674 (4,600)	1.6	Things not so OK at the "K" corral: Pinched by supermarkets and oil co. mini-stores, co. filed for Chapter 11 after saying adios to CEO Karl Eller, leader of phenomenal '80s growth.
92	Quincy's Family Steakhouses Spartanburg, S.C. Full service (steakhouses)	263.3 (251.0)	4.9	213 (211)	0.9	Expansion in some locations to make room for Country Sidebar, 80-item buffet bringing in 42% of sales. New weekend breakfast bar. AUV increased 5.8% to \$1.25MM.

*RAI estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

RESTAURANTS & INSTITUTIONS

93	The Ground Round Inc. So. Weymouth, Mass. Franchisor (full service/dinner houses)	262.7 (209.0)	25.7	196 (215)	-8.0	Sale by former parent Hanson Group USA frees chain to grow under new CEO Michael O'Donnell: 100 units planned in next 5 yrs. AUV \$1.5MM. PC: International Protein Corp.
94	Tony Roma's—A Place for Ribs Dallas, Texas Franchisor (full service/barbecue)	260.0* (206.5**)	25.9	133 (118)	12.7	Brisk growth continues for co. boasting 20%+ rate over past 4 yrs. 30 units to open in '90. AUV \$2.2MM, including \$375K beverage alcohol. Fy end 2/24. PC: Roma Corp.
95	Veterans Administration Washington, D.C. Military	258.2† (258.2†)	—	172 (172)	—	No. of meals served is down slightly, but total fs costs per day (with labor) are up 90 cents to \$17.01. Avg food cost per meal is \$1.28, only 22.5% of total. Fy end 9/89.
96	U.S. Marine Corps Washington, D.C. Military	252.2† (240.0†**)	5.1	107 (107)	—	Goal for '90 is computerization of all paperwork. Still modernizing facilities. Marines boosting traffic with flexible meal hrs, enhanced takeout menus. Fy end 9/89.
97	Hyatt International Corp. Chicago, Ill. Lodging	242.0 (206.3)	17.3	221** (207*)	6.8	New hotels in '90 to open in England, Spain, Yugoslavia, Australia, China and Taiwan. Plans for '91 expansion target Thailand and three sites throughout Indonesia.
98	California Dept. of Corrections Sacramento, Calif. Institutions	240.0† (224.0†**)	7.1	202 (149)	35.6	Added 2 prisons, boosting population to 84,000. Expanded cook-chill system, issued fs handbooks to staff in '89. Dept. to add 1 prison and computerize food program in '90.
99	Marie Callender Pie Shops Inc. Orange, Calif. Franchisor (full service/family dining)	239.0 (226.0)	5.8	159 (152)	4.6	Good calendar yr: New senior mgmt, employee training program. Co. changed ad agency, created product dept. to standardize and innovate. Some units testing \$3.99 take-home pies.
100	Marriott Family Restaurants Washington, D.C. Full service (family dining)	229.0* (A)	(A)	215 (A)	(A)	Adieu Allie's: Sales of San Diego prototype never equaled. Co. to sell all restaurants on 18-mo. timetable, stay with higher-growth lodging and contracting. PC: Marriott Corp.
101	Stouffer Hotel Co. Solon, Ohio Lodging	227.5* (178.4*)	27.5	112 (96)	16.7	Co. began 1st intl. venture this yr with addition of 7 Stouffer Presidente hotels in Mexico. Domestic plans call for Chicago ('91) and Atlanta ('92). PC: Nestle Ent.
102	Village Inn Restaurants Denver, Col. Franchisor (full service/family dining)	227.3 (233.0)	-2.4	232 (272)	-14.7	Closed 32 units; expansion on hold in '90. Mktg new menu items to boost check averages, traffic. Offers discounts to seniors. PC: VICORP Restaurants Inc. Fy end 10/89.
103	Harry M. Stevens Inc. Cranbury, N.J. Contract management	225.0 (200.0)	12.5	40 (40)	—	Stadiums and arenas are growth areas. Very concerned with improving image of concession fs; adding more fresh menu items and developing service-oriented training.
104	Godfather's Pizza Inc. Omaha, Neb. Franchisor (fast food/pizza)	225.0** (231.0)	-2.6	507 (534)	-5.1	All's going gangbusters for Pillsbury spinoff: AUV \$438K and avg check hovers around \$10. Chain beefing up product line with meatball, other specialty pizzas. Fy end 5/90.
105	Bakers Square Matteson, Ill. Full service (family dining)	221.0 (189.4**)	16.7	161 (152)	5.9	Added 9 stores in '89. Recent Bakersfield, Calif., remodel led to 50% sales jump. 15% unit growth in Midwest likely by end fy '91. PC: VICORP Restaurants. Fy end 10/89.
106	Daka Food Service Wakefield, Mass. Contract management	220.0 (159.0*)	38.4	283 (337)	-16.0	Health care shows best growth potential. Will continue assimilating Fuddruckers chain with "Fuddruckers Day" joint promos. Fy end 6/89. PC: Daka International.

*RAI estimate; **company est.; †commercial equivalent; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

107	ServiceMaster Co. Downers Grove, Ill. Contract management	219.0 (200.0)	9.5	273 (260)	5.0	Co. forecasts continued strong growth in all markets, with health-care focus. New retail program for cash operations includes coordinated menus, recipes, food-court signage.
108	Del Taco Inc. Costa Mesa, Calif. Franchisor (fast food/Mexican)	216.0* (226.9*)	-4.8	350 (370)	-5.4	LBO by mgmt principals a done deal 1/3/90. Co. now improving price/value with 59-cent items and speeding service to defend against segment leader Taco Bell.
109	Steak 'n Ale Dallas, Texas Full service (steakhouses)	215.0 (225.0**)	-4.4	159 (159)	—	Opened no units in '89, plan none in '90. As with Benningan's, PC DJS/Inverness to focus on keeping core businesses' health and position for going into growth mode in '91.
110	Shakey's Inc. So. San Francisco, Calif. Franchisor (full service/pizza)	202.5 (260.8*)	-22.4	371 (405)	-8.4	Purchase by Singapore firm doesn't rattle Shakey's: Mgmt stayed except for pres, where ex-Skipper's CEO Gene Stone replaced Gary Brown. AUV \$546K. PC: Inno-Pacific.
111	Restaura Dining Services Phoenix, Ariz. Contract management	200.0 (—)	—	300 (—)	—	10% net gain in managed volume in '89. Introduced computerized menu mgmt system. Added "Wellness" menu line and employee incentive programs. PC: Greyhound Dial.
112	A&W Restaurants Inc. Livonia, Mich. Franchisor (fast food/sandwiches)	199.2 (164.5)	21.1	668 (530)	26.0	Despite new 1,700-sq.-ft. prototype unit, co. prefers to convert for growth. 10 stores planned in Asia, 30 in U.S. in '90. New children's book and audio promos breaking soon.
113	Sbarro Inc. Commack, N.Y. Franchisor (full service/Italian)	196.0 (154.0)	27.3	384 (328)	17.1	Italian cafeteria concept broaches intl. growth—Trusthouse Forte to open Sbarros in England. 2 freestanding units open in Puerto Rico. AUV \$550K; avg check under \$4.
114	Bally Casino Resorts Las Vegas, Nev. Lodging	195.5* (187.6*)	4.2	29* (29*)	—	With new 800-room tower, Park Place casino in Atlantic City hopes for a spillover increase in traffic from Trump's Taj Mahal. Co.'s total profits plunged 54% to \$17.4MM in '89.
115	ShowBiz Pizza/Chuck E. Cheese Pizza Irving, Texas Franchisor (full service/pizza)	195.5 (188.9**)	3.5	257 (258)	-0.4	Co. sets stage for major remodeling program: 17 stores completed in '89, another 30 to be done this yr. 8 new stores to open this yr. AUV \$1.1MM, not including game sales.
116	Wyatt Cafeterias Inc. Dallas, Texas Cafeterias	192.0 (189.0)	1.6	121 (120)	0.8	Co. testing downsized Wyatt's Express in Texas food court; developing 66% smaller Mrs. Wyatt's for small-town markets. AUV \$1.6 MM; avg check \$4.76. Fy end 12/31.
117	Houlihan's Kansas City, Mo. Franchisor (full service/ dinner houses)	190.2 (—)	—	69 (—)	—	Co. rolls out simpler menu and "premier dinner" option—soup, salad and dessert with entree. 9 units to open in '90. AUV \$2.9MM. PC: Gilbert/Robinson. Fy end 12/89.
118	Embassy Suites Irving, Texas Lodging	190.0 (150.0)	26.7	99 (91)	8.8	Co. continues to seek F&B lease arrangements with local restaurant operators. In '90, Embassy to open 10-15 new properties, concentrating on the NE. PC: Promus Corp.
119	The Krystal Co. Chattanooga, Tenn. Fast food (hamburgers)	188.3 (178.0)	5.8	231 (232)	-0.4	58-yr-old co. franchises for 1st time via "Krystal Kwik" double-drive-thrus in small towns. "Sunriser" sandwich built breakfast sales by 25%. AUV \$812K.
120	Los Angeles Unified School District Los Angeles, Calif. Schools	186.9†* (180.8†*)	3.5	684 (588)	17.9	New dir still learning ropes, trying to regroup fs after major losses exacerbated by shrinking commodity donations. Entire school system's budget also taking a real beating.

*RAI estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

121	Stuart Anderson's Black Angus/ Cattle Company Los Altos, Calif. Full service (steakhouses)	185.3* (176.4*)	5.0	86 (84)	2.4	Co. plans limited growth in existing markets. Ontario, Calif., unit has new lighter decor. Replaced individual salads with all-you-can-eat. PC: American Restaurant Group.
122	Grandy's Lewisville, Texas Franchisor (fast food/chicken)	181.2 (184.0)	-1.5	195 (206)	-5.3	Co. realigned depts. under operations umbrella to improve purchasing and training. 40 Dallas-area stores given fresh look for '90s. AUV \$972K. PC: American Restaurant Group.
123	Frisch's Cincinnati, Ohio Franchisor (full service/family dining)	181.0 (—)	—	170 (—)	—	Long-time "Big Boy" licensee plans 6 new units in '90; 3 underperformers to close. 8 units opened in '89; 12 co. units closed. AUV \$1.14MM; avg check \$5.41. Fy ends 6/90.
124	Specialty Restaurants Corp. Anaheim, Calif. Diverse restaurants (full service/ dinner houses)	178.5* (189.0)	-5.6	66 (74)	-10.8	Placing less emphasis on ambience, more on food, co. converted 8 lounges to banquet facilities in '89; 15 more in '90. Co. realigned into 3 regional divisions. Fy end 6/90.
125	U.S. Navy Officer's and Enlisted Club System Washington, D.C. Military	177.2† (164.0†)	8.0	318 (276)	15.2	Most govt subsidies to end in '90, so Navy is converting some clubs to banquet centers and others to all-hands family restaurants with in-house "brand names." Fy end 9/89.
126	Country Kitchen International Bloomington, Minn. Franchisor (full service/family dining)	175.4 (167.3)	4.8	254 (252)	0.8	Country's cooking: Japan to be 1st expansion beyond Canada. Deal to put 200 units in Japan, 1st 5 by end of '91. Remodeling for "residential" look. PC: Carlson Cos.
127	El Pollo Loco La Mirada, Calif. Franchisor (fast food/chicken)	175.0 (124.0)	41.1	196 (160)	22.5	SW broiled-chicken co. continues strong, with 43 new units opened in '89, 40 set for '90. Franchising put 26 stores in Fla., 13 in Japan. AUV \$1.1MM. PC: TW Holdings Inc.
128	Carvel Corp. Yonkers, N.Y. Franchisor (fast food/sweets)	175.0** (243.8*)	-28.2	700 (750)	-6.7	Founder Tom Carvel replaced by ex-KFC head Stephen Fellingham after buyout. New owners to study East Coast growth, synergy with dairy holdings. PC: Investcorp Inc.
129	The Wood Co. Allentown, Pa. Contract management	172.7 (119.4)	44.6	284 (164)	73.2	Introducing "Top Hits" menu modules with fajitas, pasta, gourmet sauté, omelets and Wellness program in '90. Surveyed 30K customers to pinpoint service bottlenecks.
130	Sportservice Corp. Buffalo, N.Y. Contract management	168.3* (153.0)	10.0	170 (150)	13.3	Sports caterer (racetracks, stadiums, parks) to serve new Chicago White Sox stadium. Working on new pizza format with Pizza Hut at St. Louis' Busch Stadium. PC: Delaware North.
131	The Ritz-Carlton Hotel Co. Atlanta, Ga. Lodging	166.1* (142.0)	17.0	42 (40)	5.0	New York, Washington, D.C., hotels getting renovations of \$35MM and \$15MM respectively. Long-range targets: Australia, England, Hong Kong. PC: W.B. Johnson Properties.
132	Ruby Tuesday Mobile, Ala. Full service (dinner houses)	166.0** (128.0)	29.7	100 (80)	25.0	Hello, Ruby Tuesday. 100th unit opened in '89 kicks off major expansion push, backed by natl. ad campaign. 38 units planned in '90. AUV \$1.7MM. PC: Morrison Inc.
133	PoFolks Inc. Nashville, Tenn. Franchisor (full service/family dining)	163.2 (155.5)	5.0	136 (149)	-8.7	Nouveau riche folks, with reorganization done, to sell new franchises in '90, add 8 units. Drive-thru results good; catering next goal. New prototype rolled out. Fy end 10/89.
134	Concession Air Corp. Buffalo, N.Y. Contract management	161.2* (155.0)	4.0	45 (45)	—	Airport accounts, including Roanoke, Va.; Newark, N.J.; and San Jose, Calif., subcontract with brand names. Portland, Ore., airport offers sushi and sake. PC: Delaware North.

*R/I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

135	Mister Donut of America Minneapolis, Minn. Franchisor (fast food/sweets)	160.6 (226.0)	-28.9	558 (780)	-28.5	Co. sold by former parent Intl. Multifoods 1/90 after overcoming balky franchisees. Multifoods to continue to sell bakery ingredients. PC: Allied-Lyons PLC.
136	Western Steer Family Steakhouse Restaurants Claremont, N.C. Franchisor (full service)	160.2 (—)	—	165 (—)	—	Established chain-wide mktg fund. Plan to simplify menu, reposition food bar in '90. Most significant promo: Anniversary Sale. AUV \$974,971. Fy end 2/23. PC: WSMP Inc.
137	Omni Hotels Corp. Hampton, N.H. Lodging	159.6 (156.0)	2.3	86 (86*)	—	Started sous vide cooking in '89. Off-site catering runs high at glamor properties such as Charleston, S.C. PC: Wharf Holdings Ltd. and World International Ltd., Hong Kong.
138	Fuddruckers Inc. Wakefield, Mass. Franchisor (full service/hamburgers)	155.0 (141.0)	9.9	115 (117)	-1.7	Soups and milkshakes join menu based on fresh-ground gourmet burgers. Joint promos with daka fs accounts—"Fuddruckers Day." AUV \$1.3MM. PC: Daka International.
139	U.S. Army Community & Family Support Centers Alexandria, Va. Military	155.0† (—)	—	571 (—)	—	Subsidy cuts prompt Army to consolidate clubs to meet market demands better. Looking at in-house "brand name" pizza parlors, steakhouses. Increasing catering. Fy end 9/89.
140	Braum Ice Cream & Dairy Stores Co. Oklahoma City, Okla. Fast food (sweets)	150.4* (134.9*)	11.5	230 (215)	7.0	Expanded into 2 new states, Ark. and Mo., in '89. In process of upgrading, renovating and relocating some older units. Weekly single-item promos proven successful. AUV \$676K.
141	Brown Derby Inc. Cleveland, Ohio Franchisor (full service/dinner houses)	149.5 (148.0**)	1.0	53 (48*)	10.4	Exploring growth through franchising "more than ever before," co. focuses on Fla. markets. Opened 3 units in '89; sold 20% of total co.-owned units to franchisees.
142	Applebee's Neighborhood Grill & Bar Kansas City, Mo. Full service (dinner houses)	147.7 (—)	—	113 (—)	—	Co.'s 9/89 public offering to pay down debt from buyout from W.R. Grace, fund new construction: expects 200 units by end of '90 in new markets such as Denver and St. Louis.
143	F.W. Woolworth Co. New York, N.Y. Retail	146.9** (144.0)	2.0	755** (750)	0.7	A case of "woolies"? Sales are up 2%, but co. faces tough competition from newer Targets, Wal-Marts and K marts. Co. to open mostly scaled-down stores with no fs.
144	Red Lion Hotel Corp. Vancouver, Wash. Lodging	146.0 (140.0)	4.3	129 (127)	1.6	To increase F&B revenue, co. now training servers in up-selling, offering employee incentives; also introduced "Cub Club" kids menu. 8 new restaurants to open in '90.
145	Lee's Famous Recipe Chicken Nashville, Tenn. Franchisor (fast food/chicken)	145.3 (142.4)	2.0	282 (282)	—	Co. to grow as rapidly as other Shoney's names under Pres Len Roberts: Will add 352 new units '91-'95, all but 10 to be franchised. AUV \$601. Fy end 10/89. PC: Shoney's Inc.
146	Cracker Barrel Old Country Store Inc. Lebanon, Tenn. Full service (family dining)	141.0* (104.4*)	35.1	73* (67)	9.0	Co. rolling 15 new Barrels in fy '90, mostly near high-traffic interstates as usual. Takeout not a priority: CB customers like to take their time. Fy end 7/89.
147	Harrah's Casino Hotels Reno, Nev. Lodging	140.3 (132.5)	5.9	31 (50*)	-38.0	Co. looking to sell Lake Tahoe casino hotel and stay on with long-term mgmt contract. Laughlin property added 500-room tower and a steakhouse in '89. PC: Promus Corp.
148	Club Corp. of America Dallas, Texas Contract management	139.5 (133.0)	4.9	174 (141)	23.4	Consolidated from 5 regions to 4 to cut costs. Booming conference and private party business up 11%. New accounts: City Place, Dallas, and 410 Club, Chicago, conference centers.

*RAI estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

149	Caesar's World Inc. Los Angeles, Calif. Lodging	139.1 (134.2)	3.7	38 (37)	2.7	Despite 8% rise in revenues over '88, fy '89 earnings dropped 13.2% to \$66.9MM. 2-yr. \$290MM refurbishment of Atlantic City, Las Vegas casinos ends in '90. Fy end 7/31/89.
150	Papa Gino's of America Inc. Dedham, Mass. Full service (pizza)	137.0 (128.3)	6.8	217 (205)	5.9	Family-owned chain courting 1st franchisees, but no agreements signed yet. Co. plans to add delivery to 100 stores this yr. AUV \$645K. 1 unit has drive-thru. Fy end 9/89.
151	Hospital Corp. of America Nashville, Tenn. Health care	135.7†* (226.8†*)	-40.2	131 (300)	-56.3	LBO complete 3/89; bridge loan due 3/91. Efforts to sell psych units in '89 failed when employee-led buyout flopped. Few new units in '90 as focus shifts to current operations.
152	Winchell's Donut House La Mirada, Calif. Franchisor (fast food/sweets)	135.0 (144.0)	-6.2	650 (668)	-2.7	Beset with financial and legal problems since spinoff from Denny's, co. was sold to Shato Holdings Ltd. 300 Calif. units sold to Pizza Hut for conversion. PC: Shato Holdings Ltd.
153	Mr. Gatti's Inc. Austin, Texas Franchisor (fast food/pizza)	133.0 (127.0*)	4.7	303 (300**)	1.0	The Mister says no more couponing in '90. New strategy? "Best Pizza at Fairest Price." Training, incentive programs to pump up service while catering spurs growth. AUV \$400K.
154	Mazzio's Corp. Tulsa, Okla. Franchisor (full service/Italian)	132.0 (126.0)	4.8	259 (280)	-7.5	Mazzio's bucks delivery trend: Airing soaps at lunch, amateur sports-team sponsorships keep on-site sales at 70% of total. AUV \$500K+; check avg \$8.65. Fy end 7/89.
155	Chicago Board of Education, Dept. of Foodservice Chicago, Ill. Schools	131.5†* (128.0†*)	2.7	603 (587)	2.7	Orbyn W. Bryan new dir. Revising specs to include lower-fat and -cholesterol levels in meat products. Developing new recipes for commodities to reduce plate waste.
156	Chart House Restaurants Solana Beach, Calif. Full service (dinner houses)	131.4 (111.1*)	18.3	60 (60)	—	Since going public 8/89, co. has stepped up expansion pace; opened 2 units 1st-quarter '90, plans 5 more this yr. Hurricane Hugo and Calif. earthquake hurt business at 10 units.
157	The Trump Organization New York, N.Y. Lodging	129.5* (—)	—	30* (—)	—	1st 400 yr. Figures are for Trump Castle and Trump Plaza casinos and Plaza Hotel, New York. But how will new Taj Mahal do? And where will these properties be in '91?
158	Taco John's Cheyenne, Wyo. Franchisor (fast food/Mexican)	125.* (116.0)	7.8	446 (439)	1.6	Co. has new look for units, plans for aggressive development and promos. Evaluating credit cards, running career-development training with cash incentives.
159	Doubletree Hotels Phoenix, Ariz. Lodging	124.9* (105.0)	19.0	100 (90)	11.1	Co. continues to tailor F&B to hotel's regional tastes. This fall Colo. Springs property to offer Judge Baldwin's microbrewery. Co.-wide catering sales program in works.
160	Red Robin International Irvine, Calif. Franchisor (full service/dinner houses)	124.0 (100.3)	23.6	58 (47)	23.4	Contrary to standard Japanese practice, Tokyo-based PC Skylark Co. Ltd. replaced home-office pres with veteran fs exec Bill Miller. Plans 25 units in '90. AUV \$2.1MM.
161	Trusthouse Forte Food Services Inc. Trumbull, Conn. Contract management	124.0 (107.0 ^h)	15.9	505 (398)	26.9	Acquired Creative Gourmets, upscale contractor, in '89. Launched Signature Series in-house menu branding program, nutrition menu line. AUV \$400K. PC: Trusthouse Forte PLC.
162	Mrs. Fields Inc. Park City, Utah Franchisor (fast food/sweets)	123.2* (160.0)	-23.0	525 (650)	-19.2	Marriott to share the cookie pie, with 60 units in airports and travel plazas. Co. has 25 Mrs. Fields-Boulangerie combo units, testing branded chocolate chips in supermarkets.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

163	Carrow's Restaurants Inc. Santa Barbara, Calif. Full service (family dining)	122.0 (—)	—	106 (—)	—	Remodeling units to "tradition" theme, testing takeout in microwaveable containers. "Power Breakfast" promo increasing weekday traffic. PC: Restaurant Ent. Group.
164	Kettle Restaurants Inc. Houston, Texas Franchisor (full service/family dining)	122.0 (123.2)	-1.0	188 (201)	-6.5	Big '89 news was mgmt buyout. 10-minute lunch express boosted lunch traffic, sales. Four Deuces best breakfast item/promo. '90 to bring 14 new units, new menu. Fy end 11/89.
165	International Blimpie New York, N.Y. Franchisor (fast food/sandwiches)	120.0 (110.0**)	9.1	350 (375)	-6.7	Blimpie Lites line going strong. Next: Fresherie gourmet salad concept for malls. Plans sale of Border Cafes in New York. 75 Blimpies to open in '90. PC: Astor Restaurant Group.
166	Navy Resale and Services Support Staten Island, N.Y. Military	117.6† (114.2†)	3.0	569 (581)	-2.1	Realigning mgmt infrastructure, adding regional fs mgrs. Continuing emphasis on training, customer service. Experimenting with fast-food prototypes. Fy end 1/90.
167	Old Country Buffets Eden Prairie, Minn. Cafeterias	115.4 (79.8 ^c)	44.6	78 (60)	30.0	Expansion plans: 20 units expected in '90. Testing replacing single serving line with "scatter bar" concept: 33% volume increase reported in 2 test stores.
168	El Chico Corp. Dallas, Texas Franchisor (full service/Mexican)	112.0 (110.0)	1.8	90 (98)	-8.2	No major changes here—co. wants controlled growth, mainly from franchise sector. Goal: to open 15-18 stores in SE and Midwest by mid '92. Units are magnets for baby boomers.
169	Tastee Freez Utica, N.Y. Franchisor (fast food/sweets)	112.0 (151.2)	-25.9	368 (512)	-28.1	Tough yr for Tastee. 40-yr-old treat co. closed 172 marginal stores through non-renewal, will try to hold the line with existing stores in '90. AUV \$312K. PC: DeNovo Corp.
170	Wienerschnitzel Newport Beach, Calif. Franchisor (fast food/sandwiches)	111.0 (107.6*)	3.2	288 (274*)	5.1	Expansion planned in home market only. Introduced International Sausage Sandwich line 11/89; Italian and Polish versions already out. Fy end: 6/89. PC: Galardi Group.
171	Lyon's Restaurants Inc. Foster City, Calif. Full service (family dining)	110.0** (100.0)	10.0	67 (65)	3.1	After '88 mgmt LBO from Sara Lee, 24-hr family chain shows sales and units gains. Co. closed 1, opened 5 new units '89. To open 5 in '90. All units co.-owned. Fy end 6/90.
172	J.B.'s Restaurants Inc. Salt Lake City, Utah Diverse restaurants (full service/dinner houses)	109.4 (99.7)	9.7	119 (116)	2.6	After 4 yrs of restructuring, punctuated by addition of ex-Ponderosa CFO David Pertl, co. says it is set to grow rapidly: plans 12 new units in '90. AUV \$942K.
173	U.S. Dept. of Justice, Federal Prison System Washington, D.C. Institutions	108.8† (81.8†)	33.0	60 (50)	20.0	Emphasis is on labor: providing more training to fs administrators and line staff, including training awards and monthly staff meetings to solicit new ideas. Fy end 9/89.
174	Northwest Airlines Inc. Egan, Minn. Transportation	107.2† (205.3†)	-47.8	60 (67)	-10.4	Destination: Asia. Interest in Pacific Rim has catapulted carrier into challenging era. Passenger counts: 38.6MM in '89 vs. 35.8MM in '88. Flew 45,663MM miles in '89.
175	Daughters of Charity Health Systems St. Louis, Mo. Health care	106.4† (75.0†*)	41.9	40 (32)	25.0	Daughters relies on 350-yr legacy to conquer challenging times. No plans to sell units, though belt-tightening in current operations prevails. Internal structure stable.
176	Howard Johnson So. Weymouth, Mass. Franchisor (full service/family dining)	105.0 (110.0**)	-4.5	111 (136)	-18.4	Updated design should draw younger diners, serve as prototype for future co. units and franchisees with \$200K to spend. AUV \$800K. PC: Franchise Associates Inc.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

& RESTAURANTS INSTITUTIONS

177	Brown's Chicken Lombard, Ill. Franchisor (fast food/chicken)	103.0 (105.0)	-1.9	150 (158)	-5.1	Remodeled and updated units, relocated some to higher-volume sites. Sandwiches to help expansion into lunch market. AUV \$650K. Fy end 10/89. PC: Brown & Portillo.
178	Humana Inc. Louisville, Ky. Health care	102.8† (88.8†)	15.8	84 (82)	2.4	Co.-owned health plans showed profit for 1st time in '89; pt. admissions also up. Internal reorg. realigned co.'s HC and hosp. divisions with little effect on day-to-day ops.
179	Rally's Hamburgers Louisville, Ky. Franchisor (fast food/hamburgers)	102.0 (—)	—	202 (—)	—	With fresh beef cooked to order, signature fries, deluxe burger for \$1 less than others, 1st double-drive-thru in 400 makes big entrance. 98 opened in '89; 80 in '90? AUV \$918K.
180	Trusthouse Forte Hotels El Cajon, Calif. Lodging	101.8* (93.1)	9.3	118* (106)	11.3	Travelodge Hotel Plaza in San Diego has leased out its restaurant, Villa Giuseppe's; its success has co. looking at other similar lease arrangements. PC: Trusthouse Forte PLC.
181	New Jersey Dept. of Human Services Trenton, N.J. Institutions	100.8† (—)	—	16 (—)	—	Continuing efforts to standardize menu and computerize food program statewide. Developing a central cook-chill food system. 85% of meals served to patients, 15% in cafeterias.
182	Skipper's Inc. Bellevue, Wash. Franchisor (fast food/seafood)	100.7 (93.0)	8.3	210 (214)	-1.9	After purchase by new PC National Pizza fall '89, co. returned to profitability; takeout hiked same-store sales. Pres/CEO Everett Jefferson resigned 2/90. AUV \$470K.
183	Rusty Pelican Restaurants San Juan Capistrano, Calif. Franchisor (full service/seafood)	100.0 (—)	—	35 (—)	—	PC Paragon Restaurant Group's seafood div. decentralized. Ex-Pizza Hut exec Greg Dollarhyde replaced Randy Howatt as pres 2/90. AUV \$2.9MM. Fy end 10/89.
184	Loews Hotels New York, N.Y. Lodging	100.0 (90.6)	10.4	80 (74)	8.1	To increase F&B sales, co. has enlisted the aid of New York-based restaurant consultant Clark Wolf. Labor costs in 1989 ran 48% of sales; food costs ran 33%.
185	Calif. Dept. of Rehabilitation, Business Enterprise Program Sacramento, Calif. Institutions	100.0† (102.8†)	-2.7	260 (270)	-3.7	Combining some locations under same mgmt and shifting priority to preventive maintenance, scheduled replacement. Improving office automation. Fy end 9/89.
186	Greyhound Food Management Phoenix, Ariz. Contract management	100.0 (—)	—	120 (—)	—	Contract feeder sold Cassano's Pizza and Subs back to founder 11/89. Restaura division makes the 400 on its own; remainder of co. heavily into B&I, 30 Faber gift shops.
187	Dobbs Houses Inc. Memphis, Tenn. Full service (family dining)	99.8 (94.4*)	5.7	287 (238)	20.6	Opened 32 new units. New '90s locations: Sarasota, Fla., and Houston. Menu development seeks healthier foods, from-scratch items such as Pizza Strada. PC: Greyhound Dial.
188	Paragon Steakhouse Restaurants San Diego, Calif. Diverse restaurants (full service/steakhouses)	98.0 (138.0 ^B)	-29.0	54 (66 ^B)	-18.2	Bought 5/90 by Japanese owner of Restaurant Assocs., co. to expand daypart sales, use secondary menu as point of difference. AUV \$1.8MM. PC: Kyotaru Ltd.
189	Orange Julius Bloomington, Minn. Franchisor (fast food/sweets)	97.1 (125.0)	-22.3	660 (709)	-6.9	Gourmet hot dog line added new pizzaz to co.'s hallmark traditional dog, but unit growth still sluggish. Fy end 11/89. PC: International Dairy Queen Inc.
190	Druther's International Inc. Louisville, Ky. Franchisor (fast food/hamburgers)	97.0 (90.0)	-1.0	146 (151)	-3.3	Co. reworked salad bar in '89, added side salads. Wide menu: chicken, fish, burgers; breakfast 25% of sales. Built traffic with both price-off and packaged specials. AUV \$680K.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

191	Fosters Freeze International Arroyo Grande, Calif. Franchisor (fast food/sweets)	96.0 (95.0)	1.1	182 (200)	-9.0	Regional chain closed 14 older franchised units in '89, updated others; will shut 8-10 more in '90. Menu to be revamped and probably trimmed in '90. AUV \$527.
192	Swensen's Ice Cream Co. Andover, Mass. Franchisor (full service/ family dining)	95.0 (90.0**)	5.6	279 (307)	-9.1	Growth focused on triple-trademark concept, adding Heidi's Frogen Yozurt and David's Cookies to Swensen's to form combo units for franchising. PC: Steve's Ice Cream.
193	Prufrock Restaurants Dallas, Texas Franchisor (full service/ dinner houses)	93.6* (73.9)	26.7	70 (60)	16.7	Chain to double in size in next 5 yrs under direction of new pres Angelo Pitillo, formerly with Jerrico. Customer counts increased 13% in '89. PC: Unigate PLC.
194	Wometco Food Services Anderson, S.C. Contract management	91.5 (92.0*)	-0.5	970 (1,100*)	-11.8	Contractor plans to up profits by increasing catering, raising prices and being selective in new business (must have 25% ROI). Added health-food lines to menu. Fy end 7/89.
195	Steak 'n Shake Inc. Indianapolis, Ind. Full service (family dining)	90.6 (82.0)	10.5	112 (110)	1.8	6 new units in '89, 6 more in '90. AUV \$800K. New for '90, chicken club. Testing fax in some units, call-ahead drive-thru plans. Fy end 9/89. PC: Consolidated Products Inc.
196	Professional Food-Service Management Inc. Northbrook, Ill. Contract management	90.0 (82.0)	9.8	134 (142)	-5.6	Moved HQ to Jupiter, Fla., 10/89; sold off 9 independent restaurants. Focusing on college market, developing B&I division. Co. began ESOP, will add branded concepts fall '90.
197	Benihana of Tokyo Miami, Fla. Full service (dinner houses)	90.0** (88.0)	2.3	49 (50)	-2.0	Co. still recouping losses in wake of '88 sale of Big Splash concept and frozen-food operation. No new units in '89, but 1 planned for '90. AUV \$1.8 MM. Fy end 4/90.
198	New York State Dept. of Correctional Services Albany, N.Y. Institutions	89.6† (—)	—	65 (—)	—	'90 unit populations are 65K-70K, with separate food plans for each facility. Nutrition services dept. urges mrgs to "meet the needs of their own institution."
199	Florida Dept. of Corrections Tallahassee, Fla. Institutions	89.6†* (—)	—	103 (—)	—	Implemented dietary programs that keep fat down to 30% of calorie intake and reduce added salt. System serves 44K daily at \$2.38 per person/day.
200	Guest Services Inc. Fairfax, Va. Contract management	89.3 (83.0)	7.6	126 (125)	0.8	Fs mgmt co. (mostly parks, recreation) will look for B&I and health-care growth, esp. retirement facilities. Took on mgmt of several independent hotel F&B operations in '89.
201	Taco Time Eugene, Ore. Franchisor (fast food/Mexican)	89.0 (85.0)	4.7	309 (292)	5.8	Co. now has 99 foreign franchised units, mostly in Canada, Japan and Venezuela. Will buy back subfranchise rights in 10 U.S. mountain states. AUV \$324K; avg check \$3.95.
202	Resorts International Inc. Atlantic City, N.J. Lodging	87.9 (85.0)	3.4	26 (23)	13.0	As part of co.'s amended plan to reorganize out of Chapter 11, Paradise Island property is on the block in the Bahamas. Sale should bring the co. \$175MM to \$300MM.
203	King's Table Buffets Bellevue, Wash. Cafeterias	85.0 (78.0)	9.0	83 (87)	-4.6	New island-service buffet being tested in Ore. and Minneapolis stores might help build same-store sales. Avg check now \$4.76. Co. to add 2 units in '90.
204	Lettuce Entertain You Enterprises Inc. Chicago, Ill. Diverse restaurants (full service)	85.0 (80.7)	5.3	26 (26)	—	Co. sold Debevic's majority interest to Dennis Riese and partners, N.Y. Readied Tucci concept for growth: "city" version (Tucci Milan) opened in '89. 2 planned by '91.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

205	Food Dimensions Inc. Emeryville, Calif. Contract management	85.0† (99.8†*)	-14.8	120 (125*)	-4.0	Jerry Kemp named pres 2/90. Sees continued growth in health care and retirement living, which co. considers its forte; latter is 60% of business. PC: Sodexho.
206	Princess Hotels International New York, N.Y. Lodging	83.9* (80.7*)	4.0	34 (34)	—	Theme concepts successful at luring banquet and group business; portable and permanent backdrops include Wild West town, Mexican fiesta and pirate setting.
207	Houston's Restaurants Atlanta, Ga. Full service (dinner houses)	83.8 (69.6)	20.4	19 (18)	5.6	Fine-tuning operations to lower managing costs while keeping emphasis on consistency in service. Chain plans 2 units in '90: New Orleans (6/90) and Boca Raton, Fla. (8/90).
208	Six Flags Corp. Arlington, Texas Recreation	83.2* (80.0)	4.0	350* (350)	—	7 parks drew near-record crowds and notice of Paramount Pictures. Each grosses \$10MM-\$14MM in fs sales. \$32MM capital improvements in '90, including 5 new coasters.
209	Bojangles' Corp. Charlotte, N.C. Franchisor (fast food/chicken)	82.5* (102.0**)	-19.1	152 (161)	-5.6	Franchise pact 6/89 seemed to preclude a sale, but last word from parent has Bojangles' on the block again. Revenues down, as are units: 9 closed in '89. PC: Horn & Hardart.
210	HBJ Parks Inc. Orlando, Fla. Recreation	82.1* (82.1)	—	93 (93**)	—	Sale by Harcourt makes new PC Anheuser-Busch 2nd-largest U.S. theme-park operator. 4 Sea Worlds, Cypress Gardens to stay; closed Boardwalk & Baseball might reopen.
211	Circus Circus Enterprises Reno, Nev. Lodging	81.3 (79.3)	2.5	28 (15*)	86.7	Excalibur casino opens in Las Vegas in mid-June; will include 6 themed restaurants, 3 snack bars and a dinner show in the medieval amphitheater. Fy end 1/31/90.
212	Sonny's Real Pit BBQ Gainesville, Fla. Franchisor (full service/barbecue)	80.7 (69.4*)	16.3	80 (79)	1.3	Co. reports customer counts up 12% for "very healthy" profits. More sophisticated R&D capability for testing menu ideas. 10-15 units in Va., Pa., Md., Ohio planned.
213	Pizzeria Uno Restaurants West Roxbury, Mass. Franchisor (full service/pizza)	80.0 (66.4)	20.5	63 (54)	16.7	No. 1 goal: Step up growth—20 new stores planned for '90. No. 2 goal: Build takeout sales. Ex-BK CEO Jeff Campbell opened Uno franchise this yr in Asheville, N.C. AUV \$1.6MM.
214	Garcia's Mexican Restaurants Scottsdale, Ariz. Full service (Mexican)	79.4 (67.0)	18.5	48 (44)	9.1	A stabilizing yr after several tough yrs. PC Famous Restaurants bought 11 Casa Lupitas from Imasco for \$23MM, will convert only 2. AUV \$1.8MM; avg check \$10.03.
215	Valley Innovative Management Services Jackson, Miss. Contract management	79.2† (68.9†)	14.9	125 (110)	13.6	Name change shows new direction: new long-term mktg plan, expansion of district offices for better customer service. Added Signature Chef soup, salad, vegetable, entree, desserts.
216	TrettCo Inc. Farmington Hills, Mich. Contract management	78.4 (70.6†)	11.0	107 (95)	12.6	Added 2 regional VP positions, for total of 3, to improve mgmt workload, customer service. Strengthened employee-recruitment and mgmt-development programs. AUV \$732K.
217	New York State Office of Mental Health Albany, N.Y. Institutions	78.4†** (72.8†)	7.7	32 (32)	—	Implemented statewide computerized food-ordering system in '89. This yr will concentrate on design of regional cook-chill facility. Also to open 2 new facilities. Fy end 3/90.
218	Mr. Steak Littleton, Colo. Franchisor (full service/steakhouses)	78.0 (85.0)	-8.2	98 (125)	-21.6	Began financial recovery following bankruptcy; AUV \$709K, up greatly from previous yr. Price increases, add-on sales raised avg check to \$7.60. More emphasis on takeout.

*RAI estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

Rank	Organization	1989 Sales (\$ mil.)	% Change	1989 Units	% Change	Notes
219	Bill Knapp's Michigan Inc. Battle Creek, Mich. Full service (dinner houses)	77.5* (77.3*)	0.3	62 (63)	-1.6	Downsizing units to reduce break-even points by 1/3 and to penetrate smaller markets. 134-seat prototype opens in Toledo, Ohio, 7/90; 186-seat prototype to follow.
220	American Medical International Inc. Beverly Hills, Calif. Health care	76.7†** (49.3†)	55.6	69 (55)	25.5	IMA Acquisition Corp. completed buyout 10/89; corp. HQ to move to Dallas 9/90 in effort to control costs. All foreign and several U.S. units to be sold to ease debt.
221	National Heritage Corp. Dallas, Texas Health care	75.8†** (71.4†)	6.2	221 (221)	—	Co. contemplating merge with Life Care Centers of America; deal could be complete by late '90. Last yr's change in sr. mgmt should have little effect on daily operations.
222	Adventist Health System Arlington, Texas Health care	75.8†** (75.8†*)	—	138 (161)	-14.3	Reorganization in '89 phased out many depts. Corp. to dissolve in '90; independent units to operate under Adventist Health Assoc. banner. Purchasing dept. to remain.
223	Sir Pizza International Muncie, Ind. Franchisor (full service/pizza)	75.0 (—)	—	107 (—)	—	Co. converting remaining Pizza King stores, actively seeking overseas franchisees. Added chicken breast and subs in '89; will bring back taco and Hawaiian pizzas this yr.
224	Eat'N Park Restaurants Inc. Pittsburgh, Pa. Full service (family dining)	75.0 (67.0)	11.9	49 (49)	—	Salad bar still best seller. Light menu sales high, too. New '90 menu won NRA award for best design in \$8-and-under group. Co. says credit card test "unrewarding."
225	Prime Motor Inns Fairfield, N.J. Lodging	75.0 (75.0**)	—	78 (75)	4.0	Co. sold off 65% share in Ramada Inn and Howard Johnson Motor Lodge franchise systems, bought in '89 from Ramada. Express room-service delivery began. Fy end 6/89.
226	Taco Villa Inc. Dallas, Texas Franchisor (fast food/Mexican)	75.0 (80.3)	-6.6	148 (147)	0.7	Name change to Del Taco. PC and 1-time fs power W.R. Grace buying 20% of stock it does not hold for tax purposes—but still leaving the restaurant business.
227	Health Trust Inc. Nashville, Tenn. Health care	72.8†** (69.8†*)	4.3	90 (104)	-13.5	1st full yr away from HCA, co. increased operating regions from 5 to 7. '90 plans see expansion and financial growth of current holdings; few new units planned.
228	Michigan Dept. of Corrections Lansing, Mich. Institutions	70.7†** (—)	—	45 (—)	—	System serves approximately 30K inmates at range of detention facilities that includes 30 prisons and 15 camps. Food cost per inmate averages \$850 per yr.
229	Ohio Dept. of Rehabilitation & Corrections Columbus, Ohio Institutions	70.4† (61.0†)	15.4	25 (23)	8.7	2 prisons added in '89, 2 to open in '90 for a total of 27 and more than 30K inmates. Dept. uses basic 3-cycle menu; newsletter highlights special occasions. Fy end 6/89.
230	Dade County Schools Miami, Fla. Schools	70.0†** (58.1†*)	20.5	292 (290)	0.7	Contracted feeding after-school day-care programs. Approved purchase of POS system. Implemented prototype kitchen designed for middle and senior high schools.
231	The Levy Restaurants Inc. Chicago, Ill. Diverse restaurants (full service/dinner houses)	70.0 (62.5)	12.0	35 (31)	12.9	Growth hopes shifting from single concepts to specialty concessions. Fireworks Factory, Portobello Yacht Club opened at Disney World's Pleasure Island in '89.
232	U.S.M.C. Morale, Welfare & Recreation Support Quantico, Va. Military	69.2† (37.1†*)	86.5	300 (156)	92.3	Club system took on restaurants and snack bars from PX system, cutting competition and putting all food and hospitality under 1 office. Sales include 17 fast-food franchises.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

RESTAURANTS & INSTITUTIONS

233	Acapulco Restaurants Long Beach, Calif. Full service (Mexican)	68.0 (64.0)	6.2	41 (41)	—	Bought with rest of Restaurant Associates. Testing catering, but focus is human resources, i.e., training, job benefits, incentives, building traffic counts. PC: Kyotaru Co. Inc.
234	Manor Health Care Silver Spring, Md. Health care	67.2† (56.0†)	20.0	158 (139)	13.7	Co. plans expansion with new construction in existing markets. Kitchen cutbacks mean greater portion control, less labor-intensive meals. PC: Quality Intl.
235	New Jersey Dept. of Corrections Trenton, N.J. Institutions	66.4† (77.8†**)	-14.7	65 (46)	41.3	Rapid growth in prison populations resulted in temporary "tent city," posing great challenges for fs. 9 locations to open this yr. Computerization continues.
236	Wawa Inc. Wawa, Pa. Retail (convenience stores)	65.0 (—)	—	460 (—)	—	Co. introducing breakfast sandwich in '90, continuing successful "Fresh Buffet" (frozen entrees/desserts) concept. AUV \$1.2MM (fs only). 40 units to open in '90.
237	Charlie Brown's Union, N.J. Full service (dinner houses)	65.0 (51.9)	25.2	33 (36)	-8.3	Tokyo-based Kyotaru Co. Ltd.'s purchase of PC Restaurant Associates means chain can plan to double in size by '95. 3 units planned for '90. AUV \$1.6MM.
238	Sanese Services Inc. Columbus, Ohio Contract management	65.0 (60.0)	8.3	62 (62)	—	Fs contractor is 65% vending, but has menu of nutritious items for its 60 B&I accounts. Will focus growth in Ohio market. Best promo: Bahamas trip for 2 employees.
239	Fairmont Hotel Corp. San Francisco, Calif. Lodging	65.0 (73.0)	-11.0	23 (21)	9.5	Long known for in-house supper clubs, co. closed all in '89, citing lack of entertainers suited to that environment; converted rooms to private dining facilities.
240	Trans/Pacific Restaurants Inc. Irvine, Calif. Diverse restaurants (full service/ dinner houses)	65.0 (66.0**)	-1.5	36 (44)	-18.2	Since selling off 7 underperforming Jolly Roger units in '89, co. has focused on most effective ways to market remaining units: 1st quarter sales up 8%.
241	Huddle House Inc. Decatur, Ga. Franchisor (full service/ family dining)	64.5* (48.5)	33.0	170 (132)	28.8	50% sales jump from all-day breakfast in 24-hr SE chain (10 co. units) with varied menu. Upgrade for 26-yr-old chain includes enlarging 32-seat units. Fy end 4/30/90.
242	Restaurants Unlimited Specialty Restaurants Seattle, Wash. Diverse restaurants (full service)	64.0 (60.0)	6.7	21 (20)	5.0	As Jacobs buyout hopes linger, co. turns attention to retention; hired Chi-Chi's George Theisen to head human resource dept. 2 new concepts—Zoopa and Zodeo—to open in '90.
243	The Häagen-Dazs Shoppe Co. Teaneck, N.J. Franchisor (fast food/sweets)	63.5* (69.0**)	-8.0	275* (315)	-12.7	Soft ice cream, rolled out in '89, is a big hit already, forming 10%-30% of sales. Testing lunches, dessert sales in PC Grand Metropolitan PLC's Burger Kings.
244	Magic Pan San Mateo, Calif. Full service (dinner houses)	63.0 (47.0)	34.0	48 (54)	-11.1	Eyeing expansion, co. shifts focus from Magic Pan concept to Frogg Lane Bar & Grill. Plans 20 in '90; opened 7 in '89. Customer counts up 3% in '89. AUV \$1.5MM. Fy end 6/90.
245	Pancho's Mexican Buffet Inc. Fort Worth, Texas Full service (Mexican)	63.0 (61.9)	1.8	63 (65)	-3.1	Mexican cafeteria concept to stress service in '90. Began discounting senior meals and promoting add-on sales and takeout orders to businesses in '89. AUV \$1.1MM.
246	The Registry Hotel Corp. Dallas, Texas Lodging	63.0 (92.0)	-31.5	15 (37)	-59.5	Co. to open Asian office in '90 and begin building intl. properties. Back home, the St. Petersburg, Fla., unit opened Zelda's, a \$2MM seafood restaurant, in '89.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

247	Bombay Bicycle Club Tarzana, Calif. Full service (dinner houses)	61.3 (56.8*)	7.9	51 (43*)	18.6	Corp. team is changing co. direction with fresh design, uniforms, menus at 2 units in '90, 2 more in '91. PC: Industrial Equity (Pacific) Ltd. Fy end 9/90.
248	Stuckey's Corp. Washington, D.C. Franchisor (full service/ family dining)	61.2 (60.0)	2.0	127 (127)	—	"Not trying to reinvent wheel, just fine-tuning." Looking at new items for '90. Top 3 '89 promos: soft-drink refill, \$2.99 breakfast and ¼-lb. hamburger—the works.
249	The Boyd Group Las Vegas, Nev. Lodging	60.7 (52.8)	15.0	27 (27)	—	Sam's Town Hotel in Las Vegas opened Mary's Diner, a '50s-style diner, and a new buffet in '89. The Stardust Hotel in Laughlin to open 3 new restaurants in '91.
250	Mrs. Winner's Chicken Brentwood, Tenn. Franchisor (fast food/chicken)	60.3 (78.1**)	-22.8	120 (169)	-29.0	New PC RTM Inc. (as of 8/89) plans to refocus on chicken in all forms (roasted, baked, grilled). Expanding breakfast line, firming up hold on lunch and dinner, esp. in Fla.
251	Universal Services Inc. Seattle, Wash. Contract management	60.0 (54.0)	11.1	134 (130)	3.1	Remote feeding is 90% of business, but co. to start employee feeding in offices, plants. "Heart healthy" menus developed with Providence Hospital, Anchorage, Alaska.
252	AMTRAK Washington, D.C. Transportation	60.0 (52.5†)	14.3	350 (350)	—	26MM train buffs traveled the clicky-clack route in '89. 85% of meals prepared on board 48- and 72-seat dining cars use both fresh and frozen products. Fs revenues \$60MM.
253	Target Stores Inc. Minneapolis, Minn. Retail	60.9* (55.0*)	9.1	403 (350)	15.1	62 new stores unveiled fs operations—all at front door, "where the money is." 16 more to open by 10/90, along with many remodels, also with fs. PC: Dayton Hudson.
254	Togo's Eatery Campbell, Calif. Franchisor (fast food/sandwiches)	60.0 (55.5)	8.1	129 (120)	7.5	Specialty sandwich vendor breaks out of 11 Western states; plans 20-22 new units in '90. Catering is big part of business; co. is testing limited delivery. Fy end 3/90.
255	Great American Chocolate Chip Cookie Co. Atlanta, Ga. Franchisor (fast food/sweets)	60.0* (60.0*)	—	300 (300**)	—	Atlanta-based co.'s sales a bit soft, like its cookies. But chain is optimistic about '90, with plans for new franchised units by investors rather than mom-and-pops.
256	Pioneer Chicken Co. Canoga Park, Calif. Franchisor (fast food/chicken)	60.0* (65.0)	-7.7	195 (202)	-3.5	Reincarnation of Pioneer Take Out plans total revamp of image: new decor, new logo, new healthy food menu; hopes for 12 new units in '90. Weekly unit volume about \$6K.
257	Veterans Canteen Service Washington, D.C. Military	59.9† (59.9†)	—	172 (172)	—	Customizing operations to fit locations, in terms of space and available labor. Successfully implemented YES nutrition program (Your Educated Selection). Fy end 9/89.
258	McCrory Stores York, Pa. Retail	59.8** (56.5)	5.8	316 (326)	-3.1	Chain closed some low-volume stores, grew fs at others into food courts. Combining some of its Sbarro franchises with Fulton St. Grill. Some success with mobile food carts.
259	C.A. Muer Corp Detroit, Mich. Full service (seafood)	59.0 (68.0)	-13.2	17 (19)	-10.5	Owner of Charley's Crab, other concepts closed 1 and sold 2 remaining dinner houses. Adding low-end menu items, early-bird dinners; no new stores in '90. Fy end 9/89.
260	Hard Rock Cafe America Los Angeles, Calif. Full service (dinner houses)	58.1** (60.0)	-3.2	8 (7)	14.3	The Rocker launches co.-wide recycling push, establishes Save the Planet Dept. for food donations, fund-raising. Plans 2 units in '90, 2 more in '91. Customer counts up 5%.

*R&I estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

261	The Original Cookie Co. Cleveland, Ohio Fast food (sweets)	58.0 (50.0)	16.0	250 (248)	0.8	Sweet success, with best sales and profit ever attributed to smoother store operations. Outlook positive for '90; co. projects addition of 15 new stores. PC: Midial S.A.
262	Sirloin Stockade International Hutchinson, Kan. Franchisor (full service/ steakhouses)	57.3 (52.3)	9.6	68 (67)	1.5	Will develop new co. store region. Introduced sandwich line, diet plates. Traffic up 3.5% from "Kids eat free Tuesday," other specials. AUV \$857K; avg check \$5.59.
263	Taco Bueno Dallas, Texas Franchisor (fast food/Mexican)	56.7* (59.2**)	-4.2	110 (120)	-0.3	Drive-thru and carryout business up 4%-5% each, but margins still under pressure. Co. revamping menu to enhance price/value, testing credit cards. PC: Unigate PLC.
264	Carousel Snack Bars of Minnesota Minneapolis, Minn. Fast food (sandwiches)	56.5 (52.0**)	8.7	275 (290)	-5.2	License deal converted 140 existing units to A&W Hot Dogs & More; 100 more conversions slated for '90. Will expand hot dog line with Chicago Classic. Fy end 6/90.
265	Houston Independent School District Houston, Texas Schools	56.4†** (57.4†*)	-1.7	227 (227)	—	"Choose Right—Eat Right" program so successful, will expand from 140 to 165 schools. 3.3% increase in meals served. Administrators preparing school lunches boosts morale.
266	Au Bon Pain Boston, Mass. Franchisor (full service/ family dining)	56.0 (38.0**)	47.4	75 (50)	50.0	Co. commits funds to product development, promos and advertising in '89; starts performance bonuses. Cookies, other add-ons boost checks. Will cater in '90. AUV \$1.1MM.
267	K&W Cafeterias Inc. Winston-Salem, N.C. Cafeterias	56.0 (50.2)	11.6	23 (21)	9.5	No major changes in '90 at this cafeteria stalwart, which describes itself as an "American-Style Buffet." Chopped steak still hottest seller on the menu.
268	Dept. of Public Welfare, Commonwealth of Pennsylvania Harrisburg, Pa. Institutions	55.8† (51.8†**)	7.7	36 (35)	2.9	Installed rethermalization equipment at several facilities, allowing cuts in staff and labor costs. Looking at centralized cook-chill and shorter work week. Fy end 6/89.
269	David's Cookies New York, N.Y. Franchisor (fast food/sweets)	55.5* (55.5*)	—	375 (375*)	—	Co. aims to build avg tickets by moving to all-butter cookies and other premium items, and selling in Swensen's new triple-concept units alongside Heidi's Frozen Yozurt.
270	Pointe Resorts Phoenix, Ariz. Lodging	55.4* (53.0*)	4.5	11 (11)	—	2 Ariz. units, Sportsclub in South Mountain and Beside the Pointe in Squaw Peak, introduced "Heart Healthy" menus. F&B calendar mailed to local residents a big success.
271	Peter Piper Inc. Phoenix, Ariz. Franchisor (fast food/pizza)	55.2* (52.4*)	5.3	112 (111)	0.9	Co. focusing on SW—25 new units to open in '90, including 1st stores in Mexico. Off-premise, takeout account for 40% of sales, but no delivery. AUV estimated at \$495K.
272	Adam's Mark Hotels St. Louis, Mo. Lodging	55.0 (52.0*)	5.8	28 (28)	—	Chain's restaurants emphasize traditional American and Continental cuisine; all added 30% more items in '89, e.g., game and seafood. Emphasizing beverage sales in '90.
273	Schlitzsky's Inc. Austin, Texas Franchisor (fast food/sandwiches)	55.0 (52.0)	5.8	245 (238)	2.9	Opened 1st co. free-standing prototype. Hopes pizza product will build dinner in '89. Plans to add 45 units in '90. Will push drive-thru, takeout. AUV \$285K.
274	Bobby McBoe's USA Inc. Phoenix, Ariz. Full service (dinner houses)	55.0 (53.0**)	3.8	19 (20)	-5.0	Hotels are growth spots for both franchised and co.-owned units in the future. 2 franchised stores in Australia; 3rd unit in an Embassy Suites hotel in '90. AUV \$3.1 MM.

*RAI estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

275	Showboat Inc. Las Vegas, Nev. Lodging	53.7 (51.9)	3.5	12 (20*)	-40.0	Las Vegas Showboat began \$25MM renovation program in '89, including upgraded buffet area and 2 new restaurants; Atlantic City property may feel heat from Taj Mahal next door.
276	L&N Seafood Grill Mobile, Ala. Full service (seafood)	52.8** (40.0)	32.0	24 (20)	20.0	Opened 8 units in '89. Dozens of menu items added, including wider, less expensive lunch-time offerings. Avg check: \$9.50. AUV \$2.2MM. Fy end 5/89. PC: Morrison Inc.
277	Restaurant Associates Theme Restaurants New York, N.Y. Diverse restaurants (full service)	52.4 (—)	—	21 (—)	—	Mixed bag of concepts expects to benefit from growth push resulting from Kyotaru Co.'s purchase of PC Restaurant Associates: 2 new concepts slated for '90.
278	Creative Restaurant Management Shawnee Mission, Kan. Diverse restaurants (full service/ dinner houses)	51.5 (—)	—	21 (—)	—	Steady after '88 spinoff by Restaurant Ent., this portion of the former Gilbert/Robinson added 2 units in '89, plans 8 single-concept stores in '90. AUV \$2.6MM.
279	Trader Vic's San Francisco, Calif. Franchisor (full service/ dinner houses)	51.0** (50.0)	2.0	18 (20)	-10.0	Under direction of CEO and TGI Friday's alum Didier Peyron since spring '89, co. switched from tableside cooking to plate service. Plans 2 new units in '90; closed 2 in '89.
280	New York City Health & Hospitals Corp. New York, N.Y. Health care	50.9† (65.4†*)	-22.2	17 (16)	6.2	AIDS epidemic and shrinking resources prompted new corp. strategy. Co. hopes to ease current crunch, pledges continued quality care in face of overcrowding. Fy end 6/89.
281	Detroit Public Schools Detroit, Mich. Schools	50.4†** (33.6†**)	50.0	261 (270)	-3.3	Hired more accounting personnel to increase financial analysis to meet new state and federal requirements. Doubled no. of schools serving breakfast to 111.
282	California Dept. of Developmental Services Sacramento, Calif. Institutions	50.4†** (44.8†)	12.5	11 (11)	—	Residential facilities for developmentally and mentally disabled serve 11,600 patients. Centralized computer operations, began nutritional analyses in '89. Fy end 6/90.
283	Shari's Family Restaurants Portland, Ore. Full service (family dining)	50.0 (34.0**)	47.1	45 (38)	18.4	Opened 6 units in '89; plan 9 in '90. Now standardizing training. Raised prices slightly, promoted desserts heavily. Best promo: country fried steak breakfast. AUV \$1.3MM.
284	Ruth's Chris Steak House Inc. New Orleans, La. Franchisor (full service/ steakhouses)	50.0 (38.0)	31.6	26 (23)	13.0	Increasing traffic thru promos, charitable events and tourist promos; mgrs expected to drum up local business. Rely on heavy mgmt training to support expansion.
285	Damon's Inc. Hilton Head, S.C. Franchisor (full service/barbecue)	50.0 (40.1)	24.7	38 (33)	15.2	Focus on Damon's Clubhouses, providing interactive sports, games in non-peak hrs. Some units testing separate takeout entrances. Mgmt bonus plan to boost productivity.
286	Olga's Kitchen Inc. Troy, Mich. Franchisor (full service/ family dining)	50.0 (41.7)	19.9	53 (51)	3.9	Co. opened new "Olga's Kitchen Express" units in mall food courts, new restaurant design elsewhere. Best-selling item still Original Olga sandwich. Testing salads, desserts.
287	Red Onion Restaurants Carson, Calif. Full service (Mexican)	50.0** (45.0)	11.1	15 (13)	15.4	Traffic up 15%. Early-bird specials build off-peak business. Sales boosted by banquet and off-premise catering efforts. Opened 2 units in '89, plans 2 more in '90.
288	Legal Sea Foods Inc. Allston, Mass. Full service (seafood)	50.0 (52.0)	-3.8	7 (6)	16.7	Berkowitz family wants to double chain size in 3 yrs, starting in New England, then moving down East Coast. "Legal Quality" safety promo, mail-order shipping still strong.

*RAI estimate; **company est.; †commercial equiv.; (A) no comparison with '89 data possible; (B) adjusted method in reporting figures; (C) franchisee sales est.; (R) revised.

400: RANKING

	Company	'89 sales (\$ mil.)	% change sales	'88 units ('89 units)	% change units	Comments
289	Emro Marketing Springfield, Ohio Retail	50.0 (—)	—	860 (—)	—	No. 2 truckstop chain operates "Starvin' Marvin" and "Speedway Convenience" brands, in states from Fla. to Mich. Building 50 new locations in '90.
290	Azlar Inc. Phoenix, Ariz. Lodging	49.9 (—)	—	47 (—)	—	Reincarnation of Ramada gaming group plans consolidation, not change, for TropWorld (Atlantic City), Tropicana (Las Vegas) or Ramada Express (Laughlin, Nev.) in '90.
291	School District of Philadelphia Philadelphia, Pa. Schools	49.3†** (48.2†**)	2.3	262 (262)	—	Refurbished many cafeterias' cooking equipment, added mobile serving lines. Serve pre-packed hot breakfast at satellites. Testing mobile food carts. Plan more vending.
292	The Old Spaghetti Factory Portland, Ore. Full service (Italian)	48.6 (42.6)	14.1	32 (28)	14.3	Slow, steady, co.-financed expansion the plan for debt-free OSF, execs say. Employee sales-incentive contests boosted AUV from \$1.6MM in '88 to \$1.7MM in '89.
293	MCL Cafeterias Indianapolis, Ind. Cafeterias	48.3 (47.0)	2.8	27 (27)	—	Co. experimenting with carryout in several units. Also focusing on increasing stores' appeal to younger set, with more salads, fresh fruit and vegetables. AUV \$1.79MM.
294	Soup Exchange San Diego, Calif. Franchisor (full service family dining)	48.0 (—)	—	31 (—)	—	Co. expanding delivery and catering, aiming mktg efforts at children. New 30% senior discount in afternoon hrs. English programs assist Hispanic workers. Fy end 12/89.
295	T.J. Cinnamon's Bakeries Kansas City, Mo. Franchisor (fast food/sweets)	48.0 (51.0)	-5.9	191 (229)	-16.6	Bun chain could not maintain 45% sales growth of '88-'89. Closed 38 units. Co. moved corp. offices to larger quarters for 29 corp. employees. PC: Signature Foods.
296	Pennsylvania Dept. of Corrections Camp Hill, Pa. Institutions	47.6† (35.0†)	36.0	34 (14)	142.9	Growing prison population necessitates new facilities. 2 added in '89; 8 more planned. Dept. boosts labor productivity with higher wages, flexible hrs. Fy end 6/90.
297	Convenient Food Marts Rosemont, Ill. Retail (convenience stores)	47.3* (80.0*)	-40.9	1,000 (1,282)	-22.0	Co. follows the pack in tough c-store segment; reorganizing in Chapter 11 under new pres. Richard Harper. Sold 300+ underperformers. F's is about 7% of \$676K AUV.
298	The Evangelical Lutheran Good Samaritan Society Sioux Falls, S.D. Health care	47.0† (45.8†*)	2.6	204 (201)	1.5	With Dr. Mark Jerstad newly installed at helm, co. has no plans for major change. Limited-growth strategy to continue through '90 and beyond. Purchasing up 2% in '89.
299	U.S. Army Medical Dept. Falls Church, Va. Military	46.6† (54.6†)	-14.7	50 (51)	-2.0	Dept. served more than 11MM meals in '89. Also completed implementation of nutrition initiatives worldwide, expanded use of computers. Fy end 9/89.
300	Hot Sam/Corn Dog on a Stick Cleveland, Ohio Franchisor (fast food/sweets)	46.0 (42.0)	9.5	297 (300)	-1.0	Net loss of 3 units, with 10 added and 7 closed; 5 new units in works. Co. to add at least 2 new products in '90—15-20 now in test market. PC: Midial S.A.
301	Life Care Center Corp. Cleveland, Tenn. Health care	45.8* (—)	—	123 (—)	—	New construction, acquisitions boosted units in '89. Might merge with Natl. Heritage in late '90; co. would switch from private to public if deal goes through.
302	Casey's General Store Des Moines, Iowa Retail (convenience stores)	45.6** (—)	—	762 (—)	—	C-store chain sheltered from c-storms by its small-town sites: very often the only fast-food player in town. Pizza, chicken, sandwiches make up 23% of non-gas sales.

*RAI estimate. **company est. †commercial equiv. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchise sales est. (R) revised

400: RANKING

Rank '89-'90	Organization Description Location	'89 sales ('88 sales) in \$ millions	% change sales	'89 units ('88 c. '89)	% change units	Comments
303	Dayton Hudson Department Store Co. Minneapolis, Minn. Retail	45.0* (40.0*)	12.5	61 (58)	5.2	Purchase of 24-store Marshall Field chain 4/90 makes DH a true retail fs power. Co. readying a 165-seater in Edina, Minn.; converting some sit-down units for carryout.
304	Southern Foodservice Management Birmingham, Ala. Contract management	45.0 (43.0†**)	4.7	80 (71)	12.7	Introduced Southern Lites nutritional menu program and will make nutrition info available to customers. Adding signature brand cookies, pizza, baked goods. Fy end 9/89.
305	Hamburger Hamlet Sherman Oaks, Calif. Full service (dinner houses)	45.0 (46.0)	-2.2	22 (22)	—	Co. growing again after a lull. 3 Chicago units opening by '91. Looking for locales in Washington, D.C., and more sites in Calif. Opened 1 in '89. AUV \$2.2MM.
306	Sea Galley Stores Inc. Mountlake Terrace, Wash. Full service (seafood)	45.0 (52.0)	-13.5	27 (45)	-40.0	Co-founder and CEO Steven Downen capped wave of departures, replaced by Kim Krieg 4/90. Sold 20 units to Keg Restaurants, Vancouver, to stem losses. AUV \$1.5MM.
307	Velvet Turtle Los Altos, Calif. Full service (dinner houses)	45.0 (53.0*)	-15.1	21 (21)	—	Co. plans no new units in '90, saying it reached market saturation in Calif. 3 yrs ago. Will focus on keeping menu current. AUV \$2.5MM PC: American Restaurant Group.
308	North Carolina State Dept. of Corrections Raleigh, N.C. Institutions	44.8† (37.8†**)	18.5	98 (89)	10.1	8 new serving locations to open this yr. To maintain quality in growing fs area, dept. is revising job descriptions, writing standards and increasing training.
309	New York State Office of Mental Retardation Albany, N.Y. Institutions	44.8† (42.0†)	6.7	17 (17)	—	Provides residential (8,500 beds) and day programs for developmentally disabled. In '89, switched 2 facilities to centralized fs. Co. to renovate 5 facilities in '90.
310	Health Care & Retirement Corp. Toledo, Ohio Health care	44.8†* (43.1†)	3.9	130 (130)	—	Nursing-home chain seeking expansion, at slow but steady pace. Primary market still centered in and around Ohio. PC: Owens-Illinois. Managed 17K beds in '89.
311	I Can't Believe It's Yogurt Dallas, Texas Franchisor (fast food/sweets)	44.6 (40.0)	11.5	291 (228)	27.6	Ambitious yogurt maker plans to add 150-200 stores in '90, some overseas. Joint venture with American Airlines puts yogurt onto select coach flights. PC: Brice Foods Inc.
312	Sands & Co. Inc. Marietta, Ga. Contract management	44.4†* (44.4†*)	—	825* (825*)	—	Fs mgmt co., operating in SE U.S. (mostly Ga., Fla., N.C.), is 70% vending. Management pretty close-mouthed about plans for its contracting division.
313	Country Pride Restaurants Cleveland, Ohio Full service (family dining)	43.7 (50.0*)	-12.6	42 (37)	13.5	Expansion slow. 1 new unit in '89, 1 in '90. Added all-you-can-eat buffets to coffee-shop menu in '89. New in '90: charbroiled fish. AUV \$1.1MM. PC: BP America.
314	Vie de France Corp. McLean, Va. Franchisor (full service/family dining)	43.0 (45.0**)	-4.4	58 (58)	—	Co. opened sous-vide factory 4/90; French sister co. has used technique for 7 yrs. Senior-citizen and mail-employee discounts hike traffic. Best promo: oat-bran muffins.
315	Stouffer Specialty Restaurants Pepper Pike, Ohio Full service (dinner houses)	42.5* (42.0*)	1.2	20 (22)	-9.1	Parker's Lighthouse is co.'s No. 2 growth vehicle, trailing J.B. Winberie's. Plans 1 specialty restaurant in '90: scouting locations in NE. PC: Nestle Ent.
316	K-Bob's Steak Houses Inc. Dallas, Texas Franchisor (full service/steakhouses)	42.0* (54.6*)	-23.1	61 (65)	-6.2	Drastic drop in revenues and business at standstill as result of entering proceedings for Chapter 11. Plans to restructure co.; no specifics available as to how.

*R&I estimate. **company est. †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchisee sales est. (R) revised.

400: RANKING

Rank '89	Company Headquarters Business	'89 sales (\$ mil.) or # of units	% change vs. '88	'88 sales (\$ mil.) or # of units	% change vs. '87	Comments
317	Hooters Restaurants Atlanta, Ga. Franchisor (full service/dinner houses)	41.8 (27.0)	54.8	28 (15)	86.7	Co. has pushed up East Coast with 8 co. stores, has 12 franchised units in Ohio Valley—now zeroing in on South and SW. Customer counts up 8% in '89. AUV \$1.6MM.
318	O'Charley's Inc. Nashville, Tenn. Full service (dinner houses)	41.6 (32.0)	30.0	26 (20)	30.0	Under pres and former Shoney's veteran Dave Wattel, co. has grown steadily from 1 unit to 28 in SE. Hopes to reach 100 units within 5 yrs. 8 units opened in '89.
319	Jerry's Subs & Pizza Gaithersburg, Md. Franchisor (fast food/sandwiches)	41.0** (38.0**)	7.9	72 (68)	5.9	Quick-serve sub and pizza chain revised pricing strategy, simplified systems to streamline service. Debuted \$4.99 large pizza dinner special. AUV \$569K. Fy end 3/90.
320	Diversified Hospitality Group Milford, Conn. Full service (family dining)	41.0 (40.0)	2.5	152 (160)	-5.0	Co.-owned Toddle House Restaurants and Steak'n Egg Kitchens started video-training program. Ran monthly promos on healthful dishes, but added fried chicken to '89 menu.
321	Hillsborough County School Board Tampa, Fla. Schools	40.8†*** (39.6†***)	3.0	149 (146)	2.1	Offer vs. serve in all schools in '90. Raised prices to balance budget. 3 new serving locations. Added mgr-intern program. 2-week paid, voluntary training program.
322	Helmsley Hotels New York, N.Y. Lodging	40.7* (39.1*)	4.1	15** (15*)	—	While Pres Leona Helmsley appeals her '89 conviction on federal income tax fraud, she no longer appears in co.'s print advertising campaign.
323	Amlac Resorts Inc. Flagstaff, Ariz. Lodging	40.7* (46.8*)	-13.0	21* (24)	-12.5	Co. has no immediate plans to grow from present 7 hotels and resorts. In '89, Stovepipe Wells Village property changed 50-seat restaurant to Italian concept. PC: JMB Realty.
324	U.S. Navy Bureau of Medicine Washington, D.C. Military	40.6† (31.0†)	31.0	32 (31)	3.2	'89 occupied bed days: 947K. Dept. hopes to increase that no. by recapturing "Champus" patients (hospitalized in civilian operations). Meals served up 16%. Fy end 9/89.
325	Two Pesos Mexican Cafes Houston, Texas Franchisor (fast food/Mexican)	40.3 (40.3)	—	28 (30)	-6.7	Mgmt shuffle 1/90 left chmn Marno McDermott with pres duties. At less than 1/2 cost of full-sized unit, new Chiquita Cafe walk-up/drive-thru might be growth vehicle.
326	Texas Dept. of Corrections Huntsville, Texas Institutions	40.1†** (33.7†)	19.0	61 (50)	22.0	Burgeoning system serves 192K meals a day, up 27% from yr ago. Cost accountability still a priority. Also investigating alternative waste-disposal methods. Fy end 8/89.
327	Nutrition Management Services Co. Kimberton, Pa. Contract management	40.0 (—)	—	50 (—)	—	Having sold off vending and B&I divisions and retail restaurants, co. now dedicated to health-care fs and actively seeking acquisitions, according to mgmt. AUV \$800K.
328	Nathan's Famous Inc. Westbury, N.Y. Franchisor (fast food/sandwiches)	40.0** (35.0)	14.3	54** (38)	42.1	Pres/CEO Robert Sherman departed 12/89. Franchising, travel plazas more aggressive. Smaller prototype should attract low-capital franchisees. Fy end 3/90.
329	Hawaii Statewide School System Honolulu, Hawaii Schools	40.0†** (42.6†*)	-6.1	224 (227)	-1.3	Might reorganize to resemble other states: state agency supervising local operations. Small drop in meals served. Most popular menu item: nachos. Will add snacks in '90.
330	Crusty's USA Raleigh, N.C. Franchisor (fast food/pizza)	40.0** (50.0*)	-20.0	109 (175)	-40.0	Ex-Dino's/Crusty's USA organization in Chapter 11, plans 6/90 recovery. Sold all co. units to franchisees, closed 20 underperformers. AUV \$400K. Fy end 4/90.

*B&I estimate. **company est. †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchise sales est. (R) revised.

400: RANKING

Rank '89	Company Headquarters Business	'89 sales (\$ mil) No. of outlets	% change vs. '88	'88 sales (\$ mil) No. of outlets	% change vs. '87	Notes
331	Unicare Inc. Milwaukee, Wis. Health care	39.8† (36.4†)	9.3	147 (143)	2.8	Acquisitions in Minn. and Fla. expand co. base. Variety of community programs, including Meals on Wheels, keep name prominent, build good will. PC: United Health Inc.
332	Lackmann Food Service Woodbury, N.Y. Contract management	39.3 (37.3)	5.4	48 (45)	6.7	Adding district mgr post to aid mgmt development and execution of promotional programs. Simplifying mgr-information and account-reporting methods. Fy end 6/89.
333	Sonesta International Hotels Corp. Boston, Mass. Lodging	39.1* (37.6)	4.0	30 (28)	7.1	Co. posted net loss of \$2.6MM for '89, compared to net profit of \$395K in '88. 2 Caribbean hotels opened in '89. 1 property to open in '90: Hurghada, Egypt.
334	Nordstrom Inc. Seattle, Wash. Retail	39.0 (—)	—	61 (—)	—	Co. renowned for service suffered much-publicized dispute over overtime. New "Garden Court" concept offers upscale but casual dining featuring new menu items. Fy end 2/90.
335	Taco Tico Inc. Wichita, Kan. Franchisor (fast food/Mexican)	39.0 (36.0)	8.3	113 (115)	-1.7	26-yr-old chain split HQ operations. Corp development, finance and mktg functions are handled in Dallas. Personnel, franchising, etc., come out of Wichita, Kan.
336	Bobby Rubino's Place for Ribs Fort Lauderdale, Fla. Franchisor (full service/barbecue)	39.0 (39.0)	—	18 (20)	-10.0	Repositioning image in S. Fla. with campaign centering on "Honest American Food" theme and participation in events such as Taste of Fort Lauderdale. AUV \$2.4MM.
337	Arctic Circle Salt Lake City, Utah Franchisor (fast food/hamburgers)	39.0 (39.0)	—	99 (100)	-1.0	Franchising again after 9 yrs, co. added 4 units in '89; began accepting credit cards. Pita sandwich, country fried steak, fajita salad added; will expand ice cream offerings. AUV \$380K.
338	Golden Nugget Casinos Las Vegas, Nev. Lodging	39.0** (—)	—	18 (—)	—	Opened 11/89, co.'s \$620MM Mirage Casino Hotel in Las Vegas reportedly must do \$1MM/day in sales to break even. Will it cannibalize co.'s own Golden Nugget Casino?
339	Leiserv Inc. Skokie, Ill. Recreation	38.8* (35.1)	10.5	126* (115)	9.6	Fast-food outlets, primarily in bowling centers, boast \$308K AUV. Alcohol sales, already substantial at \$21MM, boosted by "premium pour" promo. PC: Brunswick Corp.
340	Cinnabon's World Famous Cinnamon Rolls Seattle, Wash. Franchisor (fast food/sweets)	38.5 (25.0)	54.0	124 (100)	24.0	Strong unit growth in '89. Co. to focus on selection and retention of quality management and crew. Price increase planned for '90. PC: Restaurants Unlimited.
341	Casa Olé Restaurants & Cantinas Houston, Texas Franchisor (full service/Mexican)	38.5 (37.0)	4.1	35 (35)	—	Co. improving purchasing systems, beginning controlled growth program. Set up award program for employees with Olé's 3-15 yrs. Began catering in Houston market.
342	Texas Health Enterprises Denton, Texas Health care	38.5† (—)	—	110 (—)	—	400 newcomer taciturn about current and future plans; will only assure that quality health care is in forefront of co.'s mission. Managed 3,500 hospital beds in '89.
343	Ark Restaurants Corp. New York, N.Y. Diverse restaurants (full service/dinner houses)	38.4 (37.9)	1.3	19 (17)	11.8	Diverse metro restaurant co. opened 4 in '89. Bought Warner LeRoy's Potomac to convert to 1,000-seat Sequoia. Expanding America concept to Philadelphia, Boston.
344	U.S. Coast Guard Washington, D.C. Military	38.2† (39.2†)	-2.6	431 (423)	1.9	Reorganized mgmt positions in '89; plans to improve training for entry-level cooks in '90. 13 new serving locations scheduled. Might add more low-fat items.

*R&I estimate. **company est. †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchisee sales est. (R) revised.

400: RANKING

Rank '90 ('89)	Organization Headquarters Segment	'89 sales (\$ mil.) in U.S.	% change sales	'89 units ('88 units)	% change units	Comments
345	Pietro's Corp. Linnwood, Wash. Full service (pizza)	38.0 (38.0)	—	80 (80)	—	Co. converted remaining Pizza Havens to Pietro's. A restructuring lightened regional mgrs' loads to 20 stores per. Looking at franchising, more acquisitions.
346	Maid-Rite Products Inc. Des Moines, Iowa Franchisor (fast food/sandwiches)	38.0 (48.5)	-21.6	153 (148)	3.4	Sandwich and burger chain is implementing corp.-wide specifications to improve product consistency. Expanding with units in Ind., Wis.; Ariz. next. AUV \$250K.
347	Everything Yogurt Inc. Staten Island, N.Y. Franchisor (fast food/sweets)	38.0 (50.0)	-24.0	282 (200)	41.0	Kiosks and carts thrive: Newark Airport stand netted \$34K in 7/89. Co. developed premium brand. 80 units to open in '90; strip mall focus to build take-home sales.
348	Penguin's Frozen Yogurt Thousand Oaks, Calif. Franchisor (fast food/sweets)	37.2 (38.0)	-2.1	128 (125)	2.4	Co. switched to on-site owner-operated stores after problems with absentee ownership. Added cold-weather menu items to expand market share. PC: Bongrain S.A.
349	Carlos Murphy's San Diego, Calif. Full service (Mexican)	37.0 (39.0)	-5.1	17 (19)	-10.5	Spinoff talk vanished when traffic rose 5% in '89. Co. adapting to reduced bar sales; dropped pasta, stir-fry for more Mexican, burgers. PC: Paragon Restaurant Group.
350	Phillips Seafood Restaurants Baltimore, Md. Diverse restaurants (full service/seafood)	37.0 (39.8)	-7.0	6 (7)	-14.3	Co. moved to primary suppliers for basic items. Built fish-packing plant in Philippines, began importing seafood from other countries. Avg check \$21.05. AUV \$9.7MM.
351	Corporate Food Services Inc. New York, N.Y. Contract management	36.9* (32.5*)	13.5	50 (44*)	13.6	Contractor was ripe for picking. Bought by Marriott 10/89. Specializes in contract dining for law firms, major banks and corp. accounts in New York area—and vending too.
352	Jerry's Restaurants Lexington, Ky. Full service (family dining)	36.7 (40.5)	-9.4	47 (54)	-13.0	Sold 5/90 to Great American Restaurants, Atlanta, No. 1 Denny's franchisee. New owners to convert 23 co. stores and encourage franchisees to switch, too.
353	Dallas Independent School District Dallas, Texas Schools	36.4†*** (35.0†**)	4.0	184 (184)	—	New nutrition awareness program: "The Healthy Alternative" specialty food bar. Provides "bonus" menu items to up participation. Performance recognition program.
354	T.K. Tripps Inc. Greensboro, N.C. Full service (dinner houses)	36.0* (30.0*)	20.0	24 (21)	14.3	Added 3 Rock Ola Cafe's but no T.K. Tripps in '89. Co. still focusing on Southern expansion—Ga., N.C. and S.C. At least 4 more units to open their doors in '90.
355	Sandwich Chef Inc. Birmingham, Ala. Fast food (sandwiches)	36.0 (32.5)	10.8	140 (172)	-18.6	Most growth in Wall Street Delis in malls and RC Cooper Delis in offices; older units weeded out. New markets: St. Louis and Cincinnati. Fy end 6/89.
356	Valentino's Lincoln, Neb. Franchisor (full service/pizza)	36.0 (34.0)	5.9	41 (40)	2.5	Co. jilting delivery—"too hard to find drivers"—to woo on-premise and takeout patrons. 3-5 units to open this yr in densely populated regions. AUV \$850K. Fy end 3/90.
357	Happy Chef Restaurants Mankato, Minn. Franchisor (full service/family dining)	36.0 (35.0)	2.9	58 (56)	3.6	'89 remodeling drive to continue in '90 along with hiring and training quality mgmt. All-new menu for '90. Best '89 promo: Sausage feast, 4 kinds from 4 countries.
358	Sisters Chicken & Biscuits Rocky River, Ohio Franchisor (fast food/chicken)	36.0 (44.0)	-18.2	61 (58)	5.2	Sisters stayed airborne despite clipped wings from PC Sis Corp.'s bankruptcy filing in '89. Handful of new stores, but sales still fell because AUV dropped to \$675K.

*R&I estimate. **company est. †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchisee sales est. (R) revised.

RESTAURANTS & INSTITUTIONS

Rank '89	Organization Franchisor/Company	'88 sales (\$ mil.)	% change '87-'88	'89 sales (\$ mil.)	% change '88-'89	Comments
359	Noble Roman's Inc. Indianapolis, Ind. Franchisor (full service/pizza)	35.7** (33.7*)	5.9	89 (89)	—	Co. following diet set in '88, calling for leaner corp. structure, more push on service and product. Credit card acceptance added in '89. Takeout is 25% of sales. AUV \$500K.
360	Rocky Rococo Pizza Madison, Wis. Franchisor (full service/pizza)	35.1 (40.0)	-12.2	55 (80)	-31.2	Midwest chain developing better way to mix on-premise service with delivery. Future growth in malls. Employee incentive programs to improve service. AUV \$625K.
361	California Pizza Kitchen Beverly Hills, Calif. Franchisor (full service/pizza)	35.0 (—)	—	12 (—)	—	Gourmet pizza chain's 1st appearance on the 400 scene. Co. now has units in Calif., Hawaii, Nev., as well as new operations in Ill., Va. and Ga. 5 more stores expected in '90.
362	King's Family Restaurants McKeesport, Pa. Full service (family dining)	35.0** (32.0)	9.4	22 (21)	4.9	Co. added training dept., passed decision-making to store and area mgrs, introduced yogurt dessert line. New touch-screen POS system on line for '90. Avg check \$3.21.
363	Palm Restaurants New York, N.Y. Diverse restaurants (full service/dinner houses)	35.0 (34.0)	2.9	12 (11)	9.1	Growing cautiously at rate of 1 new unit every 3 yrs. co. debuted 1 unit in Philadelphia in '89. Looking to place new units in Atlanta, Boston, also Japan and Europe.
364	Elmer's Pancake & Steak House Portland, Ore. Franchisor (full service/family dining)	35.0** (35.0**)	—	28 (29)	-3.4	30-yr-old chain in 6 Western states serves lunch and dinner, but big promo is "power" (health benefits) of breakfast. Catered functions for 10 to 100 people. Fy end 3/89.
365	The Original Seafood Shanty Bensalem, Pa. Full service (seafood)	35.0 (35.0)	—	14 (13)	7.7	To widen customer base, added chicken and prime rib to what used to be 100% seafood menu. Extensive employee appreciation program. AUV hits \$3MM. Fy end 9/89.
366	Bresler's Industries Inc. Des Plaines, Ill. Franchisor (fast food/sweets)	35.0 (38.0**)	-7.9	300 (340)	-11.8	Co. strategy includes promo of high-ticket premium line and nonfat "Lite" yogurt. Catering also targeted for expansion. AUV \$150K. PC: Bresler's Industries Inc.
367	CVI Service Group Inc. Plainfield, N.J. Contract management	34.7† (32.4†)	7.1	50 (54)	-7.4	Expansion of Southern university/college division gets serious with opening of Atlanta regional office. Co. computerized accounting dept. functions in '89. Fy end 8/89.
368	Grand American Fare Inc. Santa Monica, Calif. Diverse restaurants (full service/dinner houses)	34.7 (35.0)	-0.9	32 (35)	-8.6	Co. began using customer focus groups for menu revisions and promo planning in '89. Rolling out corp. mktg training program, adding 2 units in '90. AUV \$900K.
369	Skyline Chili Inc. Cincinnati, Ohio Franchisor (full service/family dining)	34.2 (32.0)	6.9	79 (83)	-4.8	Under Pres William Kagler, co. leaving some marginal markets. Testing salads, burritos and garlic bread. Price points raised 2/90. AUV \$400K. Fy end 10/89.
370	Shells Restaurants Tampa, Fla. Full service (seafood)	34.0 (—)	—	25 (—)	—	Co. doubled units in '89, outgrowing roots as small regional chain. Under Chi-Chi's ex-COO Ron Hunt and former Steak & Ale CFO Rick Payne, will add 15-20 more units by '91.
371	Heartthrob Enterprises Chicago, Ill. Full service (dinner houses)	34.0 (—)	—	11 (—)	—	Cash-flow problems have this adult concept stepping carefully, being more selective about sites in future. 4 units to open in '90, co. aiming for 15 high-grossing stores.
372	Spiro's Restaurants Orange, Calif. Full service (dinner houses)	33.8* (33.8*)	—	21 (21)	—	New downsized units have 100-110 seats instead of former 120-180 seat capacity. Chain remodeled 3 units in 1st quarter '90, has plans for 2 more by end of this yr.

*RAI estimate; **company est.; †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchisee sales est. (R) revised.

Rank '90	Franchise Description	'89 sales (\$ mil.)	% change sales	'89 units ('89 units)	% change units	Comments
373	Shooters Waterfront Cafes Fort Lauderdale, Fla. Franchisor (full service/dinner houses)	33.7 (25.0)	34.8	6 (4)	50.0	Co. testing 1/2-smaller unit suitable for smaller markets; 1st planned for Texas in '91. Plans 3 Fla. and 1 R.I. unit in '90. PC: Shooters International Inc.
374	LaRosa's Inc. Cincinnati, Ohio Franchisor (full service/Italian)	33.0 (31.2*)	5.8	46 (43)	7.0	Exec changes all in the family: Michael LaRosa new pres; Donald LaRosa still chmn. Co. added low-fat, low-cal menu last fall. Downsizing units, streamlining kitchens.
375	In-N-Out Burgers Baldwin Park, Calif. Fast food (hamburgers)	32.9* (30.0*)	9.7	59 (50)	18.0	42-yr-old drive-thru pioneer drew record crowds at 57th store's debut in San Diego— called in mobile unit to aid service. Family firm hopes to open 5 in '90.
376	Texas Dept. of Mental Health & Mental Retardation Austin, Texas Institutions	32.8† (35.6†)	-7.9	27 (27)	—	Upgrading dining rooms for more homey feel- ing. Some facilities offer buffets, continental breakfasts, banquets. Entire agency involved in "Operation Renew." Fy end 8/89.
377	Michigan State University East Lansing, Mich. Schools	32.7†** (29.4†**)	11.2	37 (35)	5.7	Added all-events bldg. with modern conces- sions system. Expansion of fs into academic bldgs. Will introduce debit card for on-campus use. Hired training chef.
378	Knott's Berry Farm Buena Park, Calif. Recreation	32.2* (31.0*)	3.9	60 (55*)	9.1	Oldest U.S. park offers 3 full- and many quick-service units; opening Camp Snoopy in Bloomington, Minn., hyper-mall in '92, as well as 2 restaurants outside Calif. park.
379	The Hilltop Steakhouse Saugus, Mass. Full service (steakhouses)	32.1 (31.5)	1.9	2 (2)	—	Only independent restaurant in 400 now takes credit cards after 30 yrs of cash-only policy. Planned 3rd store awaits Boston economic upturn. Added appetizers.
380	Royal Fork Buffet Restaurants Boise, Idaho Cafeterias	32.0 (28.0)	14.3	18 (16)	12.5	Expansion points to Canada: expect 1st open- ing there in '90. Cafeteria concept also trying to enter catering side of the business. AUV is \$1.6MM. 4 units to open in '90.
381	Arthur Treacher's Inc. Youngstown, Ohio Franchisor (fast food/seafood)	32.0 (35.0**)	-8.6	97 (94)	3.2	Sold rights to name; products will sell through automated cooking system and proprietary drive-thru concept. Expanding into shopping- mall food courts. AUV \$320K.
382	Rusty Scupper Pepper Pike, Ohio Full service (seafood)	31.5* (32.4*)	-2.8	18 (18)	—	Not one of PC Stouffer Restaurant Co.'s best growth bets. Sales about 60% seafood (esp. grilled). 40% Angus beef. Reviewing service procedures to increase speed.
383	Happy Joe's Pizza & Ice Cream Parlor Bettendorf, Iowa Franchisor (fast food/pizza)	31.1 (28.6)	8.7	78 (82)	-4.9	Execs all smiles about a new concept slated for development this yr, although they're quiet about details. Aggressive off-premise catering program under way. AUV \$400K.
384	Flik International Corp. Mamaroneck, N.Y. Contract management	31.0** (28.0)	10.7	70 (65)	7.7	Fs mgmt co. is growing; hired dirs of opera- tions, training and operational services in '89. Account growth in '90 to center on corp.-dining business. Fy end 6/89.
385	Le Peep Restaurants Inc. Littleton, Colo. Franchisor (full service/family dining)	31.0* (31.0**)	—	66 (70)	-5.7	Breakfast specialist's tests to crack the dinner hour drove up labor, operating costs; 1st quarter fy '91 posted revenue loss. Plans include opening 7 stores, revising menu.
386	La Petite Boulangerie Park City, Utah Franchisor (fast food/sweets)	30.8* (—)	—	117* (—)	—	Results a well-kept Fields secret, as usual. We do know co. has merged concept with cookie stores to form 25 or so combo units, Mrs. Fields Bakery. PC: Mrs. Fields Inc.

*RAI estimate. **company est. †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchisee sales est. (R) revised

400: RANKING

387	Spectrum Restaurants San Francisco, Calif. Diverse restaurants (full service/dinner houses)	30.5* (—)	—	14 (—)	—	Under new COO Hazem Ouf, co. launched Tutto Mare broiled seafood concept in '89, plans another Prego. Regional menu at MacArthur Park. PC: American Restaurant Group.
388	Tippin's Restaurants Inc. Overland Park, Kan. Full service (family dining)	30.5 (—)	—	17 (—)	—	Plans to open 12 units this yr, 8 in mall food courts, where co. operates 4 units already. Co. reports an increase in customer counts. AUV \$2.2MM; avg check \$6.50.
389	Broward County School Board Fort Lauderdale, Fla. Schools	30.5†** (28.0†**)	8.9	165 (160)	3.1	Choice menus expanded to all elementary schools. Summer school open to all students, not just remedial. Purchased 4 vans to deliver food to small exceptional-child centers.
390	Pappas Restaurants Inc. Houston, Texas Full service (family dining)	30.0* (—)	—	25 (—)	—	A 1st-time 400 member, this private family co. operates 3 concepts: Pappas Seafood, Pappasito's, and Pappadeaux Seafood Kitchen—all but 2 units in Houston.
391	Freshens Yogurt Atlanta, Ga. Franchisor (fast food/sweets)	30.0 (—)	—	170 (—)	—	Drive-thrus new in several strip mall locations. "Say Yes to No" promo introduced nonfat yogurt. Gourmet crepes, sugar-free nonfat yogurt to roll out in '90.
392	Blue Ribbon Services Philadelphia, Pa. Contract management	30.0† (—)	—	65 (—)	—	Co. now well-established in dietary/health-care market, looking to B&I and schools as growth areas. In coming yr, more takeout experiments, joint ventures with chains.
393	RA Restaurant Services New York, N.Y. Contract management	30.0 (—)	—	17 (—)	—	PC Restaurant Associates' contractor provides fs at Metropolitan Opera, New York, The Kennedy Center, Washington, D.C., and other high-toned venues.
394	J.B. Winberie's Pepper Pike, Ohio Full service (dinner houses)	30.0* (27.0)	11.1	30 (30)	—	Citing lack of good sites for retrofits, co. has developed prototype free-standing model. 1st to open in Chicago 9/90. Co. plans 2-3 more in '91. PC: Nestle Ent.
395	The New York Restaurant Group New York, N.Y. Diverse restaurants (full service/dinner houses)	30.0 (27.5)	9.1	6 (4)	50.0	Looking to buy existing concept in '90 to bring under co. wing. Opened 2—La Cité (avg check \$45) and brasserie Grill de la Cité (avg check \$25)—in Manhattan in '89.
396	Fair Lanes Inc. Baltimore, Md. Retail	30.0 (34.9)	-14.0	112 (110)	1.8	Drop explained by sale of 9 British family-style restaurants (\$18MM in '88 sales). Resurgence in strikes and spares hiked sales in bowling alley snack bars.
397	Blake's Lotaburger Inc. Albuquerque, N.M. Franchisor (fast food/hamburgers)	29.6* (28.0)	5.7	75 (73)	2.7	Regional burger power holding steady in SW, but planned 5 store openings in '89 cut back to 2. All units co.-owned, all advertising still done via billboards.
398	Entertainment One Houston, Tex. Diverse restaurants (full service/dinner houses)	29.2 (41.1)	-29.0	22 (34)	-35.3	Remnant of McFaddin Ventures went private under J. Stuart Sargent in '89. Owns Studebaker's, R'n'R USA clubs, manages food court at Houston Intl. Airport. AUV \$1.5MM.
399	Straw Hat Cooperative Corp. Dublin, Calif. Franchisor (fast food/pizza)	29.0 (30.0)	-3.3	76 (82)	-7.3	'89 saw further development of catering, home delivery, community involvement. Will open a unit in Seoul, Korea, plus other foreign markets this yr. AUV \$400K.
400	The C&C Organization Rancho Cucamonga, Calif. Full service (dinner houses)	29.0 (29.4)	-1.4	24 (24)	—	Converting prime rib concept Lord Charley's into contemporary a la carte chop house, Charley's Grill and Pub. Prototype opens in Upland, Calif., in '90. Fy end 9/90.

*RAI estimate. **company est. †commercial equivalent. (A) no comparison with '89 data possible. (B) adjusted method in reporting figures. (C) franchisee sales est. (R) revised.

400: COMPANY INDEX

Organization (rank)	Page		Page
A&W Restaurants Inc. (112)	.80	Carousel Snack Bars of Minnesota (264)	.108
Acapulco Restaurants (233)	.101	Carrow's Restaurants Inc. (163)	.90
Adam's Mark Hotels (272)	.108	Carvel Corp. (128)	.84
Adventist Health System (222)	.100	Casa Olé Restaurants & Cantinas (341)	.124
American Medical International Inc. (220)	.100	Casey's General Store (302)	.115
Amfac Resorts Inc. (323)	.120	Caterair International (26)	.61
AMTRAK (252)	.102	Charlie Brown's (237)	.101
Applebee's Neighborhood Grill & Bar (142)	.86	Chart House Restaurants (156)	.89
ARA Services Inc. (10)	.57	Chi-Chi's Inc. (54)	.73
Arby's Inc. (18)	.60	Chicago Board of Education (155)	.89
Arctic Circle (337)	.124	Chick-fil-A Inc. (90)	.76
Ark Restaurants Corp. (343)	.124	Chili's Inc. (65)	.74
Army & Air Force Exchange Service (37)	.62	Church's Chicken Inc. (43)	.66
Arthur Treacher's Inc. (381)	.132	Cinnabon's World Famous Cinnamon Rolls (340)	.124
Au Bon Pain (266)	.108	Circle K Stores (91)	.76
Aztar Inc. (290)	.115	Circus Circus Enterprises (211)	.99
Bakers Square (105)	.77	Club Corp. of America (148)	.86
Bally Casino Resorts (114)	.80	Concession Air Corp. (134)	.84
Baskin-Robbins Ice Cream Co. (36)	.62	Convenient Food Marts (297)	.115
Benihana of Tokyo (197)	.94	Corporate Food Services Inc. (351)	.128
Bennigan's Restaurants (49)	.66	Country Kitchen International (126)	.84
Beverly Enterprises (88)	.76	Country Pride Restaurants (313)	.116
Big Boy (23)	.61	Cracker Barrel Old Country Store Inc. (146)	.86
Bill Knapp's Michigan Inc. (219)	.100	Creative Restaurant Management (278)	.110
Blake's Lotaburger Inc. (397)	.134	Crusty's USA (330)	.120
Blue Ribbon Services (392)	.134	CVI Service Group Inc. (367)	.129
Bob Evans Farms Inc. (73)	.74	Dade County Schools (230)	.100
Bobby McGee's USA Inc. (274)	.108	Dairy Queen (11)	.60
Bobby Rubino's Place for Ribs (336)	.124	daka Food Service (106)	.77
Bojangles' Corp. (209)	.99	Dallas Independent School District (353)	.128
Bombay Bicycle Club (247)	.102	Damon's Inc. (285)	.110
Bonanza Restaurants (40)	.62	Daughters of Charity Health Systems (175)	.90
The Boyd Group (249)	.102	David's Cookies (269)	.108
Braum Ice Cream & Dairy Stores Co. (140)	.86	Days Inns of America Inc. (38)	.62
Bresler's Industries Inc. (366)	.129	Dayton Hudson Department Store Co. (303)	.116
Broward County School Board (389)	.134	Del Taco Inc. (108)	.80
Brown Derby Inc. (141)	.86	Denny's Inc. (19)	.60
Brown's Chicken (177)	.91	Detroit Public Schools (281)	.110
Burger King Corp. (2)	.57	Diversified Hospitality Group (320)	.120
C.A. Muer Corp. (259)	.102	Dobbs Houses Inc. (187)	.91
The C&C Organization (400)	.134	Dobbs International Services (51)	.78
Caesar's World Inc. (149)	.89	Domino's Pizza Inc. (9)	.57
California Dept. of Rehabilitation (185)	.91	Doubletree Hotels (159)	.89
California Dept. of Corrections (98)	.77	Druther's International Inc. (190)	.91
California Dept. of Developmental Services (282)	.110	Dunkin' Donuts Inc. (27)	.61
California Pizza Kitchen (361)	.129	Eat'N Park Restaurants Inc. (224)	.100
Canteen Co. (15)	.60	El Chico Corp. (168)	.90
Captain D's Restaurants (61)	.73	Elmer's Pancake & Steak House (364)	.129
Carl's Jr. (45)	.66	El Pollo Loco (127)	.84
Carlos Murphy's Restaurants (349)	.128	El Torito Restaurants Inc. (63)	.73
		Embassy Suites (118)	.80
		Emro Marketing (289)	.115
		Entertainment One (398)	.134
		The Evangelical Lutheran Good Samaritan Society (298)	.115
		Everything Yogurt Inc. (347)	.128
		Fair Lanes Inc. (396)	.134
		Fairmont Hotel Corp. (239)	.101
		Flik International Corp. (384)	.132
		Florida Dept. of Corrections (199)	.94
		Food Dimensions Inc. (205)	.99
		Fosters Freeze International (191)	.94
		Freshens Yogurt (391)	.134
		Friendly Ice Cream Corp. (41)	.66
		Frisch's (123)	.84
		Fuddrucker's Inc. (138)	.86
		Furr's/Bishop's Cafeterias L.P. (81)	.76
		F.W. Woolworth Co. (143)	.86
		Garcia's Mexican Restaurants (214)	.99
		Godfather's Pizza Inc. (104)	.77
		Golden Corral Corp. (53)	.73
		Golden Nugget Casinos (338)	.124
		Grand American Fare Inc. (368)	.129
		Grandy's (122)	.84
		Great American Chocolate Chip Cookie Co. (255)	.102
		Greyhound Food Management (186)	.91
		The Ground Round Inc. (93)	.77
		Guest Services Inc. (200)	.94
		The Häagen-Dazs Shopper Co. (243)	.101
		Hamburger Hamlet (305)	.116
		Happy Chef Restaurants (357)	.128
		Happy Joe's Pizza & Ice Cream Parlor (383)	.132
		Hard Rock Cafe America (260)	.102
		Hardee's Inc. (7)	.57
		Harrah's Casino Hotels (147)	.86
		Harry M. Stevens Inc. (103)	.77
		Hawaii Statewide School System (329)	.120
		HBJ Parks Inc. (210)	.99
		Health Care & Retirement Corp. (310)	.116
		Health Trust Inc. (227)	.100
		Heartthrob Enterprises (371)	.129
		Helmley Hotels (322)	.120
		Hillsborough County School Board (321)	.120
		The Hilltop Steakhouse (379)	.132
		Hilton Hotels Corp. (22)	.61
		Holiday Inn Hotels (28)	.61
		Hooters Restaurants (317)	.120
		Hospital Corp. of America (151)	.89
		Hot Sam/Corn Dog on a Stick (300)	.115
		Houlihan's (117)	.80
		Houston Independent School District (265)	.108
		Houston's Restaurants (207)	.99
		Howard Johnson's (176)	.90
		Huddle House Inc. (241)	.101

continued on page 138

400: COMPANY INDEX

continued from page 137

Organization (rank)	Page		Page
Humana Inc. (178)	91	Michigan State University (377)	132
Hyatt Hotels Corp. (29)	61	Mister Donut of America (135)	86
Hyatt International Corp. (97)	77	Morrison's Custom Management (39)	62
I Can't Believe It's Yogurt (311)	116	Morrison Family Dining Div. (66)	74
In-N-Out Burgers (375)	132	Mr. Gatti's Inc. (153)	89
Inter-Continental Hotels Corp. (47)	66	Mr. Steak (218)	99
International Blimpie (165)	90	Mrs. Fields Inc. (162)	89
International House of Pancakes Restaurants (67)	74	Mrs. Winner's Chicken (250)	102
Jack In The Box (31)	62	Nathan's Famous Inc. (328)	120
J.B. Winberie's (394)	134	National Heritage Corp. (221)	100
J.B.'s Restaurants Inc. (172)	90	National Medical Enterprises (83)	76
Jerry's Restaurants (352)	128	Navy Resale & Services Support (166)	90
Jerry's Subs & Pizza (319)	120	New Jersey Dept. of Corrections (235)	101
K&W Cafeterias Inc. (267)	108	New Jersey Dept. of Human Services (181)	91
K-Bob's Steak Houses Inc. (316)	116	New York City Board of Education (82)	76
Kentucky Fried Chicken (3)	57	New York City Health & Hospital Corp. (280)	110
Kettle Restaurants Inc. (164)	90	The New York Restaurant Group (395)	134
King's Family Restaurants (362)	191	New York State Dept. of Correctional Services (198)	94
King's Table Buffets (203)	94	New York State Office of Mental Health (217)	116
K mart Corp. (70)	74	New York State Office of Mental Retardation (309)	99
Knott's Berry Farm (378)	132	Noble Roman's Inc. (359)	129
The Krystal Co. (119)	80	Nordstrom Inc. (334)	124
L&N Seafood Grill (276)	110	North Carolina State Dept. of Corrections (308)	116
La Petite Boulangerie (386)	132	Northwest Airlines Inc. (174)	90
LaRosa's Inc. (374)	132	Nutrition Management Services Co. (327)	120
Lackmann Food Service (332)	124	O'Charley's Inc. (318)	120
Lee's Famous Recipe Chicken (145)	86	Ogden Allied Services Corp. (50)	66
Legal Sea Foods Inc. (288)	110	Ohio Dept. of Rehabilitation & Correction (229)	100
Leiserv Inc. (339)	124	Old Country Buffets (167)	90
Le Peep Restaurants Inc. (385)	132	The Old Spaghetti Factory (292)	115
Lettuce Entertain You Enterprises Inc. (204)	94	Olga's Kitchen Inc. (286)	110
The Levy Restaurants Inc. (231)	100	The Olive Garden (52)	73
Life Care Center Corp. (301)	115	Omni Hotels Corp. (137)	86
Little Caesars Pizza (20)	60	Orange Julius (189)	91
Loews Hotels (184)	91	The Original Cookie Co. (261)	108
Long John Silver's Seafood Shoppes (33)	62	The Original Seafood Shanty. (365)	129
Los Angeles Unified School District (120)	80	Palm Restaurants (363)	129
Luby's Cafeterias Inc. (80)	76	Pancho's Mexican Buffet Inc. (245)	101
Lyon's Restaurants Inc. (171)	90	Papa Gino's of America Inc. (150)	89
Magic Pan (244)	101	Pappas Restaurant Inc. (390)	134
Maid-Rite Products Inc. (346)	128	Paragon Steakhouse Restaurants (188)	91
Manor Health Care (234)	101	Penguin's Frozen Yogurt (348)	128
Marie Callender Pie Shops Inc. (99)	77	Pennsylvania Dept. of Public Welfare (268)	108
Marriott Family Restaurants (100)	77	Pennsylvania Department of Corrections (296)	115
Marriott Food & Services Management (5)	57		
Marriott Lodging Division (17)	60		
Mazzio's Corp. (154)	89		
McCrory Stores (258)	102		
McDonald's (1)	57		
MCL Cafeterias (293)	115		
Michigan Dept. of Corrections (228)	100		
		Perkins Family Restaurants L.P. (55)	73
		Peter Piper Inc. (271)	108
		Phillips Seafood Restaurants (350)	128
		Piccadilly Cafeterias Inc. (72)	74
		Pietro's Corp. (345)	128
		Pioneer Chicken Co. (256)	102
		Pizza Hut (4)	57
		Pizza Inns (76)	74
		Pizzeria Uno Restaurants (213)	99
		PoFolks Inc. (133)	84
		Pointe Resorts (270)	108
		Ponderosa Inc. (35)	62
		Popeyes Chicken & Biscuits (44)	66
		Prime Motor Inns (225)	100
		Princess Hotels International (206)	99
		Professional Food-Service Management Inc. (196)	94
		Prufrock Restaurants (193)	94
		Quality Inns International (57)	73
		Quincy's Family Steakhouses (92)	76
		Radisson Hotel Corp. (71)	74
		Rally's Hamburgers (179)	91
		Ramada Hotel Group (87)	76
		RA Restaurant Services (393)	134
		Rax Restaurants Inc. (69)	74
		Red Lion Hotel Corp. (144)	86
		Red Lobster (16)	60
		Red Onion Restaurants (287)	110
		Red Robin International (160)	89
		The Registry Hotel Corp. (246)	101
		Resorts International Inc. (202)	94
		Restaura Dining Services (111)	80
		Restaurant Associates Theme Restaurants (277)	110
		Restaurants Unlimited Specialty Restaurants (242)	101
		The Ritz-Carlton Hotel Co. (131)	84
		Rocky Rococo Pizza (360)	129
		Round Table Pizza (79)	76
		Royal Fork Buffet Restaurants (380)	132
		Roy Rogers (60)	73
		Ruby Tuesday (132)	84
		Rusty Pelican Restaurants (183)	91
		Rusty Scupper (382)	132
		Ruth's Chris Steak House Inc. (284)	110
		Ryan's Family Steak Houses (78)	74
		Sands & Co. Inc. (312)	116
		Sandwich Chef Inc. (355)	128
		Sanese Services Inc. (238)	101
		Sbarro Inc. (113)	80
		Schlotsky's Sandwich Restaurant (273)	108
		School District of Philadelphia (291)	115
		Sea Galley Stores Inc. (306)	116
		The Seiler Corp. (64)	73
		Service America Corp. (21)	61
		ServiceMaster Co. (107)	80

continued on page 140

Instant Cold Storage



No assembly required.



ICS Outside Walk-Ins are delivered "ready-to-serve."

ICS is the single source to the fastest, easiest, least expensive way to add frozen, cold or dry storage. At a 50% savings over inside construction, ICS is the choice of 9 out of 10 major users of walk-ins. You deal direct with the factory — no contractors or red tape to wade through. Each unit is delivered ready to go; just move it in, plug it in and you've saved valuable inside space and time. The commitment to customer satisfaction shows through in every detail making ICS "first in the field."



Call toll free
1-800-835-0001
On business call collect (316-652-6561)

INTERNATIONAL COLD STORAGE CO., INC.
2307 S. Oliver • Wichita, KS 67210
TAX (316) 662-4565

400: INDEX

continued from page 138

Organization (rank)	Page	Organization (rank)	Page
7-Eleven (34)	.62	Tony Roma's—A Place for Ribs (94)	.77
Shakey's Inc. (110)	.80	Trader Vic's (279)	.110
Shari's Family Restaurants (283)	.110	Trans/Pacific Restaurants Inc. (240)	.101
Shells Restaurants (370)	.129	Trans World Airlines Inc. (89)	.76
The Sheraton Corp. (13)	.60	TrettCo Inc. (216)	.99
Shoney's Restaurants (30)	.61	The Trump Organization (157)	.89
Shooters Waterfront Cafes (373)	.132	Trusthouse Forte Food Services Inc. (161)	.89
ShowBiz Pizza/Chuck E. Cheese Pizza (115)	.80	Trusthouse Forte Hotels (180)	.91
Showboat Inc. (275)	.110	Two Pesos Mexican Cafes (325)	.120
Sir Pizza International (223)	.100	Unicare Inc. (331)	.124
Sirloin Stockade International (262)	.108	United Airlines (62)	.73
Sisters Chicken & Biscuits (358)	.128	Universal Services Inc. (251)	.102
Six Flags Corp. (208)	.99	U.S. Air Force Clubs Branch (68)	.74
Sizzler Restaurants International (24)	.61	U.S. Air Force Engineering and Services Center (77)	.74
Skipper's Inc. (182)	.91	U.S. Army Center of Excellence, Subsistence (14)	.60
Sky Chefs Inc. (56)	.73	U.S. Army Community & Family Support Centers (139)	.86
Skyline Chili Inc. (369)	.129	U.S. Army Medical Dept. (299)	.115
Sonesta International Hotels Corp. (333)	.124	U.S. Coast Guard (344)	.124
Sonic Industries Inc. (58)	.73	USDA Food & Nutrition Services (8)	.57
Sonny's Real Pit BBQ (212)	.99	U.S. Dept. of Justice, Federal Prison System (173)	.90
Soup Exchange (294)	.115	U.S. Marine Corps (96)	.77
Southern Foodservice Management (304)	.116	USMC Morale, Welfare & Recreation Support (232)	.100
Specialty Restaurants Corp. (124)	.84	U.S. Navy Bureau of Medicine (324)	.120
Spectrum Restaurants (387)	.134	U.S. Navy Food Service Systems (25)	.61
Spire's Restaurants (372)	.129	U.S. Navy Officer's and Enlisted Club System (125)	.84
Sportservice Corp. (130)	.84	Valentino's (356)	.128
Steak & Ale (109)	.80	Valley Innovative Management Services (215)	.99
Steak 'N Shake Inc. (195)	.94	Velvet Turtle (307)	.116
Stouffer Hotel Co. (101)	.77	Veterans Administration (95)	.77
Stouffer Specialty Restaurants (315)	.116	Veterans Canteen Service (257)	.102
Straw Hat Cooperative Corp. (399)	.134	Vie de France Bakery & Cafe (314)	.116
Stuart Anderson's Black Angus (121)	.84	Village Inn Restaurants (102)	.77
Stuckey's Corp. (248)	.102	Waffle House Inc. (84)	.76
Subway (32)	.62	Wal-Mart Stores (86)	.76
Swensen's Ice Cream Co. (192)	.94	Walt Disney World Co. (46)	.66
Taco Bell (12)	.60	Wawa Inc. (236)	.101
Taco Bueno (263)	.108	Wendy's International Inc. (6)	.57
Taco John's (158)	.89	Western Sizzlin Steak House Inc. (48)	.66
Taco Tico Inc. (335)	.124	Western Steer Family Steakhouse Restaurants (136)	.86
Taco Time (201)	.94	Westin Hotels and Resorts (42)	.66
Taco Villa Inc. (226)	.100	Whataburger Inc. (75)	.74
Target Stores Inc. (253)	.102	White Castle System Inc. (85)	.76
Tastee Freez (169)	.90	Wienerschnitzel (170)	.90
TCBY Enterprises (74)	.74	Winchell's Donut House (152)	.89
Texas Dept. of Corrections (326)	.120	The Wood Co. (129)	.84
Texas Dept. Mental Health & Mental Retardation (376)	.132	Wometco Food Services (194)	.94
Texas Health Enterprises (342)	.124	Wyatt Cafeterias Inc. (116)	.80
TGI Friday's Inc. (59)	.73		
Tippin's Restaurants Inc. (388)	.134		
T.J. Cinnamon's Bakeries (295)	.115		
T.K. Tripps Inc. (354)	.128		
Togo's Eatery (254)	.102		

ACTION EXPRESS

MAGAZINE DIVISION STAFF

Terrence McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Peter T. Orsi, Senior Vice President; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing.

BUSINESS STAFF

Barry H. Reese, Publishing Director; Jane Young Wallace, Vice President/Publisher; Steven D. Mayer, Director of Marketing; Catherine Erickson, Associate Director of Marketing; Corinne Zollars, Assistant to Sales/Marketing Director; M.R. Robinson, Vice President Foodservice Research; Bob Bean, Senior Research Director; Ed Christ, Circulation Director; Robert McNally, Circulation Manager.

BUSINESS OFFICES

Mark A. Strauss, National Sales Director. **Midwest:** Rose Deneen, National Sales Coordinator; Candice J. Hammett, Regional Manager; David Weil, Regional Manager; Marjorie S. Maca, District Manager; Susan Kallas, Sales Services Manager; Patricia McGowan, Recruitment/Classified Advertising Manager, Cahners Plaza, 1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5060. Phone: (708) 635-8800. **East Coast:** William Lazar, Regional Manager, 8 Stamford Forum, P.O. Box 10277, Stamford, CT 06904-2277. Phone: (203) 328-2547. Michael Cardello, Regional Manager and National Sales Manager/Beverage Alcohol, 249 W. 17th St., New York, NY, 10011-5301. Phone: (212) 463-6480. **Central Area:** Jerry Stiegler, Regional Manager, 1621 Euclid Ave., Cleveland, OH 44115-2186. Phone: (216) 696-1800. **Southeast:** Thomas McElhinny, Regional Manager; Larry Pullman, Regional Manager, Suite 395, 6520 Powers Ferry Rd., Atlanta, GA 30339-2911. Phone: (404) 955-6500. **West Coast:** John Barkan, Regional Manager, Room 1007, 582 Market St., San Francisco, CA 94104-5311. Phone: (415) 981-2594. Rebecca Roberts, Regional Manager, 18818 Teller Ave., #170, Irvine, CA 92715-1679. Phone: (714) 851-9422. **Southwest:** Thomas McElhinny, Regional Manager, 12127 Carriage Hill Dr., Houston, TX 77077-2508. Phone: (713) 497-1095. Michael Cardello, Regional Manager, Suite 515, 13740 Midway Road, Dallas, TX 75244-4314. Phone: (214) 980-0318. **Japan:** Kaoru Hara, Dynaco International Inc., Suite 1003—Sun-Palace Shinjuku, 8-12-1 Nishishinjuku Shinjuku-ku, Tokyo 160, Japan. Phone: (03) 366-8301.

FOR YOUR OWN COPY OF RESTAURANTS & INSTITUTIONS

Call (303) 388-4511 or circle 500 on the Reader Service Card.

ADVERTISING INDEX

For more information on the products advertised and featured in this issue, circle the number indicated on the Reader Service Card.

Advertiser	Inquiry No.
Allen Canning (p.78-79).....	25
Alto-Shaam, Inc. (p.47-52,95-98).....	17,18,19,29,30,31
Anetsberger Brothers, Inc. (p.144).....	48
Arctic Alaska Fisheries Corp. (p.109).....	33
Beatrice Cheese/Pauly Brand (p.130-131).....	41
Beef Industry Council (p.92-93).....	28
Bell Atlantic Corp. (p.139).....	45
Blaze Products from Aaper (p.151).....	61
Calavo Foods, Inc. (p.24-25).....	12
California Avocado Commission (p.118-119).....	37
Chef Francisco (p.121).....	
Classified Advertising (p.152-160).....	
Coldwater Seafood Corp. (p.82-83).....	26
Durkee-French Foods, Inc. (p.85,87).....	
Eliason Corp. (p.148).....	52
General Foods Corp., Boboli (p.21).....	10
General Mills, Foodservice Div. (p.54-55).....	20
Heinz Co., H. J. (p.16-17).....	9
Hobart Corp. (p.1BC).....	63
Hormel & Co., George A. (p.112-113).....	35
Hunt-Wesson Foodservice Div. (p.3-5,8).....	5
Iceland Seafood Corp. (p.36-39).....	14,15
Imperial Cup (p.150).....	57
International Cold Storage Co., Inc. (p.140).....	46
Jeron Technologies (p.4).....	3
Karp & Sons, L. (p.63).....	22
Katchall Industries, Inc. (p.150,151).....	55,62

Kellogg Company (p.114).....	36
Land's End (p.145).....	49
Larsen Co., The (p.41).....	16
Las Palmas/Pet Inc., Foodservice (p.88-B-88-E).....	65
Masterbilt (p.143).....	47
Milliken Visa (p.133).....	42
Minute Maid Foodservice Group, a division of Coca Cola Foods (p.88).....	
Molded Fiber Glass Tray Co. (p.151).....	60
Moore's Food Products (p.45).....	
Nabisco Brands Inc., Foodservice Div. (p.10-11,12-13).....	6,7
National Dairy Board (p.67-72).....	135
National Federation of Coffee Growers of Colombia (p.6C).....	64
Nestle Company, Inc., Nestea (p.64-65).....	23
Nordic Track (p.146).....	
Ocean Garden Products, Inc. (p.15).....	8
Old El Paso, Pet Food Service (p.58-59).....	21
Oneida, Ltd. (p.35).....	13
Pace Foods, Inc. (p.118-119).....	37
Perdue Farms (p.122-123).....	38
Pet, Inc., Foodservice/Las Palmas (p.88-B-88-E).....	65
Pierce Foods Corp. (p.42-43).....	50
Pressware International, Inc. (p.150).....	58
Pro-Processed Foods (p.150).....	56
Reynolds Metals Co., Foodservice Packaging (p.81).....	27
Riceland Foods (p.103-107).....	32
Safe Stride (p.149).....	54
SANWA Professional Cutlery (p.1).....	1
Sequentia, Inc. (p.151).....	59
The Southern Company (p.136).....	44
Stanislaus Food Products (p.75,135).....	24
Stouffers, Food Service Div. (p.88-G-88-L).....	66
Sugar Foods Corp. (p.22-23).....	11
Sunshine Biscuits, Inc., Foodservice Div. (p.125).....	161

continued on page 161



RESTAURANTS & INSTITUTIONS, a Cahners publication
1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5080 Phone: 708/635-8800

Cahners Publishing Company, A Division of Reed Publishing USA ☐ Specialized Business Magazines for Building & Construction ☐ Research ☐ Technology ☐ Electronics ☐ Computing ☐ Printing ☐ Publishing ☐ Health Care ☐ Foodservice ☐ Packaging ☐ Environmental Engineering ☐ Manufacturing ☐ Entertainment ☐ Home Furnishings ☐ and Interior Design. Specialized Consumer Magazines for Child Care ☐ Boating ☐ and Wedding Planning.

RESTAURANTS & INSTITUTIONS (ISSN 0273-5520) is published biweekly (with an additional issue in February, May, August, October and December, and two extra issues in March) in national, demographic and separate editions by the Cahners Publishing Company, a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles H. Moodhe, Senior Vice President/General Manager, Chicago Division; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Senior Vice President/Finance; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Krupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to RESTAURANTS & INSTITUTIONS at our Denver address. RESTAURANTS & INSTITUTIONS copyright 1990 by Reed Publishing USA. Ronald G. Sage, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for nonqualified people: USA, 1 year \$99.95, 2 years \$189.95; Canada/Mexico, 1 year \$139.95, 2 years \$239.95; other countries surface mail, 1 year \$185, 2 years \$315, and air mail, 1 year \$285, 2 years \$515. Except for special issues where price changes are indicated, single copies of regular issues are available for \$10 (USA, Canada/Mexico and foreign). Please address all subscription mail to RESTAURANTS & INSTITUTIONS, 44 Cook St., Denver, CO 80206-5800. RESTAURANTS & INSTITUTIONS has also been published as "INSTITUTIONS, Magazine of the Service World" and INSTITUTIONS/VOLUME FEEDING MANAGEMENT.